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Editorial AS WE SEE IT

It is remarkable how persistent the effort is in this generation to thwart the laws of nature in the field of economics. The best explanation appears to be that only a few have any realization of what is taking place, and of these, perhaps, a considerable proportion see as through a glass darkly. Doubtless other eras have witnessed many efforts to defy natural forces, some of them rather persistent, but it sometimes appears to us that none have had the tenacity and the breadth of those of this day and generation. For decades we have been trying in one way or another to overcome such forces in the field of agriculture, for example. No less real, though possibly somewhat less evident, have been corresponding efforts in the field of labor. The Presidential campaigns now in full swing make it clear enough that there is to be no surcease from this sorrow for a good while to come.

Both of the leading candidates for the Presidency have been busily engaged of late in trying to win the so-called farm vote. Vice-President Nixon so far has been in a certain superficial sense the more original of the two. However, a mere glance at what each of them is saying to the farmer and promising the farmer is quite sufficient to convince even the doubting Thomases that neither of them has any intention of evolving programs which would have as their goals a restoration of natural forces in agriculture. Whether either of them has any clear understanding of the nature of the ills they are prescribing for, we, of course, have no way of knowing. Certainly neither of them has given an inkling of such a grasp.

The Real Trouble Untouched

There is no particular point in analyzing the detailed suggestions that have been brought forward to this date, or to any that may presently be brought forward assuming that they are consistent with what has already been said. It is clear that neither candidate has the slightest notion of either telling the farmers the plain truth of the present situation or of sug- *(Continued on page 32)*

Canadian Consolidation of Gains Reattracts Investment Interest

By Dr. Ira U. Cobleigh, Enterprise Economist.

An autumnal report on the Canadian economy, with special accent on exports, natural gas, the Seaway, and the capital markets; plus tabulation of an impressive group of Canadian companies with long records of continuous dividend payments. Consolidation of the past decade's dazzling growth is expected to provide renewed attractions to investors throughout the world.

If the Canadian economy has been, in 1960, something a little less than surging, its condition is perhaps due to the fact that this year follows the most dazzling decade in Canada's history. A pause or "breather" after such fantastic forward motion does not seem particularly illogical.

Achievements of the 1950's

Consider for a moment the achievements of the decade that ended only ten months ago. The great Alberta oil and gas boom which sired such vast transport projects as Interprovincial, Trans-Mountain, West Coast Transmission, and Trans-Canada pipelines, all completed and put on stream in the 1950's. The Blind River uranium boom; the location and development of vast stores of Ungava iron ore, and the building of large scale facilities to extract and ship it; the completion of the long heralded St. Lawrence Seaway; and a roaring boom in private and industrial construction—all these great projects were the achievements of the 1950 decade and it takes a little time to digest them.

This phase of assimilation and consolidation of gains in which the Canadian economy now finds itself is a pretty sturdy one, however, and ticking off the statistics of the current year does not produce by any means a gloomy chart. Gross National Product for the sixth year in a row should rise to a new high; total capital expenditures should exceed $8.8 billion (also a new high); consumer expenditures will increase by about 5%; and exports should be up about 12-15% over last year. All of which takes a little of the sting off the soggy security markets during many months of this year, the disappointment over the delays in approving the export of Canadian gas, the Seaway tonnage that didn't measure up to its advance billings, and the unhappy amount of unemployment.

Exports and Imports

A basic problem in the Canadian economy has been its heavy dependency on the export of goods and on the import of capital. Canada's exports amount to over 15% of gross national product and some of these export products are presently in overproduction throughout the world—wheat, oil and uranium. On the import side considerable less foreign capital has flowed into Canada during the past 18 months and, partially as a result of this, the Canadian dollar which was at a premium of more than 5% over the U. S. dollar last year, has moved down close to parity. This is a good thing for exports; and it would be *(Continued on page 18)*

Canadian Investment Opportunities Featured Herein

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

SEYMOUR J. PASSMAN
Research Dept., Abraham & Co.
New York City
Members New York Stock Exchange

Singer Manufacturing Company

Singer Manufacturing Company is the oldest, largest and best known name in the industrial and domestic sewing machine business. Singer manufactures its products in 14 countries and sells them in 155 countries through a network of 20,000 outlets comprised of company - owned stores, dealers and distributors. Prior to World War II, Singer had succeeded in capturing almost 80% of the world's sewing machine market. After the war, Italian, German and finally strong Japanese competition made itself felt. Actually, Singer was practically the only survivor in the U. S. production of household sewing machines. However, its portion of domestic and foreign markets was cut more than 50%. Corrective measures began to take shape about 2½ years ago, when a new and dynamic young president took office. Operating controls were drawn considerably tighter, and an extensive consolidation and improvement program was undertaken. With six plants in the U. S. and 12 in various foreign countries, Singer began shifting some domestic production to foreign plants in order to take advantage of lower operating costs. Other production will continue to be shifted to more efficient plants and some properties have and will continue to be disposed of. It is understood that substantial savings are being achieved in this area.

Seymour Passman

To combat the pressure of foreign competition, particularly Japanese, Singer introduced domestically, about 1½ years ago, a low priced, good quality, straight sewing machine under the name "Sparton." This machine is being produced in Scotland where lower wage and operating rates create a substantial cost advantage. This line, together with the higher priced more versatile "400" series, now constitutes a completely modern line covering the entire requirements of the household sewing machine market as to both price and features. In the industrial sewing machine market, Singer has introduced a number of new models, including the first in a line of automated sewing machines. In addition, the company has expanded its line of vacuum cleaners, electric motors, portable electric tools and fans. The latter item is sold under the trade name of "Diehl."

The entire Singer product line is being more actively merchandised through a step up in advertising, promotion and increase in the number of Singer retail outlets and franchised dealers, both here and abroad. The company has also embarked on a program of selling, through department and chain variety stores, its sewing supplies, such as needles, bobbins, oil, etc. In 1959 these items were displayed in about 8,000 stores and this is expected to be doubled during the current year. Singer considers this to be a material factor in promoting the sale of machines. Singer manufactures its own sewing machine cabinets, holds a 70% interest in a Canadian pulp mill, and owns about 570,000 acres of timberland. A military products division is engaged in classified government electronics work.

Two important phases of the company's future plans include development of new products outside the sewing machine field, which can be distributed and sold by the company's present organization, and acquisitions. Singer has about $50 million in liquid resources available for the latter purpose. Indeed, the company is in an enviable financial position. As of Dec. 31, 1959, cash and equivalent of almost $74 million exceeded total current liabilities of $72 million, and net working capital totaled about $332 million. Furthermore, the indicated book value of about $68 a share is, in our opinion, grossly understated. In addition, with a simple capitalization consisting of $40 million in long term debt and 4.5 million shares of $20 par common stock, Singer is in a position to borrow substantial funds, if necessary. While the major area of interest is understood to be in the fields of electronics and precision metal working, the company announced in the past few months the acquisition, for cash, of two companies outside of these general areas. The first, in May, was Fidelity Machine Company of Philadelphia, the second largest manufacturing of knitting machinery used in the production of women's hosiery. Sales in 1959 amounted to about $4.7 million and are currently running at a rate of about $9 million. This acquisition could add about $0.20 per share to Singer's earnings on a full year basis. The second, in August, was Cobble Bros. Machinery Co., Inc., producer of tufting machinery and allied equipment used in the production of carpets, rugs, bedspreads and other related household furnishings. Cobble reported sales of $6.0 million in 1959 and is currently running at about $7.0 million rate. This acquisition could add earnings of $0.20-$0.25 per share on a full year basis. A special committee is understood to be looking at several other interesting situations.

In total, what has been occurring at Singer is a complete revitalization. More aggressive attitudes are being instilled in the entire organization, with the common goal of improving profits. The company for the first time, is issuing quarterly reports and a more detailed annual report, and key employees have been granted stock options. Recent listing on the New York Stock Exchange is a further example of management's growing interest in public relations.

In 1959, the company showed the first concrete results of its program. Including consolidation of the now wholly-owned subsidiary, International Securities, sales amounted to $496 million compared with $447 million in 1958. When reporting earnings for 1959, Singer, for the first time, included deferred installment credits. Now, the only portion still to be deferred until collected is the carrying charge. This new policy conforms with the practice employed by other companies involved in retail selling on an instalment basis. Reflecting an overall improvement in business, the change in accounting, and the previously mentioned consolidation, earnings in 1959 rose sharply to $4.12 per share (excluding $0.65 per share extraordinary income) from $2.70 per share in 1958, on the same adjusted basis. For the current year I estimate sales of about $515 million and earnings in the area of $4.75 - $4.85 per share, with the two acquisitions included for only about the last six months. Looking further ahead, management's aggressive plans and large liquid resources, could make the current improved results appear modest. With one of the most firmly entrenched positions in the much talked about "European Common Market," Singer is well equipped to share in the vast economic growth envisioned for this area.

Dividends have been paid continuously since 1863. During the first quarter of 1960 the company raised the dividend from a $2.20 annual rate to $2.60 per share. In view of the indicated further improvement in earnings and the strong finances, it is likely, in my opinion, that another dividend increase will be forthcoming within the foreseeable future. Commitments in this issue, at current levels of about 55 in my opinion, offer the investor the prospect of substantial capital appreciation over the long term.

MARSHALL J. SMITH
Security Analyst, Burnham & Co.
New York City
Members New York Stock Exchange

Consolidated Cigar Corp.

In a time of uncertainty about the outlook for business activity, industries which have exhibited a large measure of resistance to downturns in the economy become particularly attractive. When this characteristic is combined with a possibility of a major surge in earnings as the result of technological change, the situation obviously has added appeal. These factors are present in the cigar industry today; and Consolidated Cigar Corporation, the largest factor in the industry, selling at 11 times 1960 estimated earnings, appears to be an excellent means of participation.

Marshall J. Smith

The cigar industry is in the midst of major evolution. Consumption of cigars in the United States showed no growth for many years. Since 1956, however, consumption has entered a distinct upward trend. This has, in part, been a result of the public's uncertain attitude about the health aspects of cigarettes combined with a new campaign of saturation advertising by the cigar industry. Increased promotion costs have been more than covered by higher operating profits made possible by improved manufacturing techniques.

Cigars consist of three parts: the wrapper, the binder, and the filler. Improved production techniques have allowed considerable savings in the materials and labor in the manufacture of the binder

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Canada's New Railroads Spur Resources Growth

By Edmour Germain

Canada's current boom in railroad construction, spurred by extensive mining activity, is detailed by Mr. Germain who points out that this, in turn, spurs the opening of more mines. The names and location of mining companies, and actual and contemplated railroads, and the indecisiveness and split views of the Royal Commission, which selects and approves routes, are all recorded for the reader. Mr. Germain's economic tour also manages to point out the surprising discovery by Canadians, who are used to living in Northern climates, that people can live comfortably in areas now being commercially exploited

Great enthusiasm is being shown for railroading in Canada as a means of shipping heavy minerals and other bulk products. This is indicated by the fact that, while one new railroad has just been completed another nears completion and plans are going forward for the construction of two other new lines in the eastern part of the country, two other big railroads are in advanced stages of planning and engineering in the West, all devoted principally, if not wholly, to mining. In central Canada, too, where one new small line has just been completed, some other new trackage is contemplated, all to serve big new mining developments there. Canada's railroads are certainly growing in number and in length with its rapidly expanding mining industry.

E. A. R. Germain

All but one of the new Eastern lines—built, under construction, or proposed—are in the two iron ore belts of the Province of Quebec, one of them running through a corner of Labrador, where consortiums of U. S. and Canadian steel and ore companies, as well as one big steel company, acting on its own behalf, are rushing construction in order to get in the business of hauling tremendous additional quantities of iron ores and concentrates out of the area as fast as possible.

All but one, also, of these new Eastern lines are in the general vicinity of the Quebec North Shore & Labrador Railway, completed in 1954, which has been hauling up to 13 million tons a year of shipping-grade ore out of Schefferville to Sept Iles, on the St. Lawrence River, for water shipment to steel mills located in the U. S. and Canada on the Atlantic Ocean and Great Lakes, as well as to Europe. When the new lines in the area are in business annual shipments of iron ore from this section of Quebec will easily triple within a relatively few years and ultimately might rise to a level even double that quantity.

Carol Lake Railway

The new line which has just been placed in service in that area is Northern Land Co. Ltd.'s 42 miles of track extending as something of a spur from Mile 224 of the QNS&L to the Narrows between Wabush and Little Wabush lakes to the west, but within the boundary of Labrador, politically now a part of Newfoundland. Northern Land is jointly owned by Wabush Lake Railway and Carol Lake Railway and the service now available is passenger and freight service on a twice-a-week basis between Sept Iles and the new town of Carol, which is still in the process of being built to serve the new mine of the Iron Ore Co. of Canada at that location.

Wabush Railway is a subsidiary of the Wabush Iron Co., whose mining project in the same general location is nowhere near as advanced as that of the Carol mine, which will commence producing in about two years. Carol Lake Railway, which is and will continue to be serving the Carol townsite and mine, is a subsidiary of the IOC.

The other railroad in the same general region but some distance to the west, is the 191-mile Quebec Cartier Railway, subsidiary of the Quebec Cartier Mining Co., a $300 million subsidiary enterprise of the United States Steel Corp. This line should be completed within a matter of months as production is scheduled to get under way at the mine near Lac Jeannine early next year.

Some legal complications have arisen in the matter of the proposed joint use of the Northern Land tracks by Wabush Lake Railway and Carol Lake Railway and it is just possible that Wabush Iron Co. might decide to avail itself of permissive authority granted to its railway division by the Government of Canada to build its own separate rail line from Wabush Lake directly to the St. Lawrence River.

For the time being, however, Arnaud Railway, another Wabush Iron subsidiary, contemplates construction of a 20-mile connecting line with the lower end of the QNS&L to provide continuous rail haulage for Wabush Iron ore from the mine near Wabush Narrows to Pointe Noire on the St. Lawrence River, where Wabush Iron plans a $20 million harbor facility for shipping its ore concentrates to market.

Arnaud Railway

Should Wabush Iron decide to construct its own railway to the river directly from the mine, Wabush Railway would undertake to construct a line from the mine in

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CANADIAN INVESTMENT OPPORTUNITIES

Article starting on the cover page, "Canadian Consolidation of Gains Reattracts Investment Interest," discusses the investment opportunities inherent in Canadian securities and, by way of documenting the views presented, includes a tabulation of the Canadian banks and companies which have paid consecutive cash dividends from 10 to 132 years (Table I, page 18) and from 5 to 10 years (Table II, page 24), along with other data of interest to investors.

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Is the Post-War Boom Over?

By Paul Einzig

One of England's best known economists writes on the incongruously possible re-emergence of a pre-war business cycle for "the wrong reason." Were it not for the shortsightedness of labor, he points out, there would be no need to consider excessive disinflationary measures to check wage inflation. This, Dr. Einzig contends is the only obstacle to proceeding with full speed toward full capacity output without running the risk of drifting into a depression.

LONDON, England.—A number of people on both sides of the Atlantic have been expressing views lately to the effect that the period of post-war boom has come or is coming to an end. They support this view with an intimidating array of scientific or pseudo-scientific arguments, trying to prove that consumer demand has leveled up and demand for capital goods is on the decline, or at any rate has stopped expanding. More and more people seem to have reached the conclusion that the free world has reverted to the pre-war type of business cycles in which a period of expansion is fated to be followed by a period of decline.

If a sufficient number of people should come to believe in this their attitude might well provide a confirmation to the defeatist theory. Widespread anticipation of a cyclical depression would certainly induce producers to curtail their capital expenditure and to reduce their inventories, and it would induce consumers to cut down their purchases. If this is done on a sufficiently large scale we might easily talk ourselves into a first-rate depression. It may well be asked whether this is really necessary.

Economics are far from being an exact science and most conclusions concerning business prospects are very much a matter of opinion. If economic experts were satisfied without a shadow of doubt that the post-war boom is really over it would, of course, be their duty to say so. But it would take an overdose of conceit to be so cocksure about it as to ignore or underrate the arguments on the other side.

Forces Tempering the Business Cycle

The main reasons why the pre-war type of business cycles have not so far returned since 1945 may be summarised as follows:

(1) The more equal distribution of incomes reduced the possibility of excessive saving that sterilised an undue proportion of consumer purchasing power before the war.

(2) Progress of the Welfare State has created a considerable actual and potential source of demand representing the cost of social services.

(3) Monetary policy has become incomparably more efficient than it was thirty years ago.

(4) The realization of the need for assisting underdeveloped countries has created an unlimited scope for an expansion of demand.

(5) International cooperation to prevent or mitigate international financial crisis has made considerable progress.

(6) There is no evidence of the accumulation of unsound positions on a gigantic scale such as existed thirty years ago.

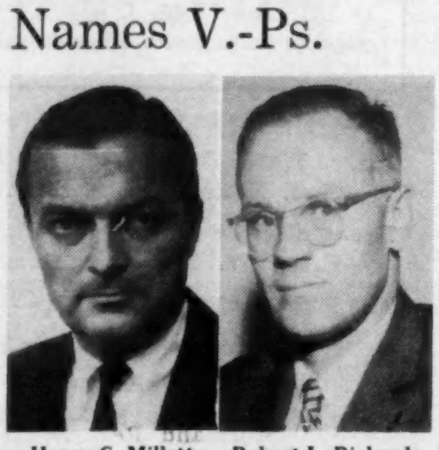
From the point of view of any of the above arguments the situation has not changed fundamentally during the last year or two. Most of the factors referred to above continue to contribute towards the creation of an inflationary bias for the economies of the Free World. There is no lessening of equalitarianism and the danger is still inadequate saving rather than excessive saving compared with the volume of investment.

The Welfare State continues to progress. We are learning more and more about monetary policy and we are less and less likely to blunder into a major depression through sheer ignorance and incompetence. The demand for assistance to backward peoples is growing in strength. Nor is there much to complain about the extent of international cooperation, judging by the recent measures taken by Germany and Switzerland to resist an influx of funds from the United States.

There remains the question of unsound positions. Agricultural over-production which was one of the basic causes of the great depression exists on a very small scale compared with thirty years ago. There are no unsaleable raw material surpluses on a sufficiently large scale to constitute a menace. It is true, some industries especially the automobile industry, have developed to an excessive degree, but its leveling up should not in itself lead to a major depression. There are no unsound speculative Stock Exchange positions compared with those of 1929 and the banking situation is everywhere incomparably sounder.

Why then envisage the possibility of a return of the bad old days? There is only one major source of danger to continuous prosperity and expansion, and that is the need for adopting drastic disinflationary measures to check wage inflation. But for that the free world could proceed with full speed right to the limit of its expanding capacity of production without running the risk of drifting into a cyclic depression. Owing to the short-sightedness of organized industrial labor this source of danger is a very real one. It is unfortunately possible that labor leaders are so utterly blind that for the sake of enforcing additional advantages for their supporters they are capable of bringing about a collapse of our post-war economic system, which has been so gratifyingly free of cyclic depressions. Those who predict an end to prosperity may prove to be right after all—but for the wrong reason. By diverting attention from the real source of danger they would share in the responsibility for creating a situation in which excessive disinflationary measures might become inevitable.

Albert Frank Names V.-Ps.



Henry G. Millett **Robert L. Richards**

The election of Henry G. Millett and Robert L. Richards as Vice-Presidents of Albert Frank-Guenther Law, Inc., 131 Cedar Street, New York City, was announced Sept. 19 by Howard W. Calkins, chairman of the board and chief executive officer of the national advertising and public relations agency.

Mr. Millett, an advertising account executive in AF-GL's New York headquarters, joined the agency's staff in 1955. Previously he was associated with Continental Check Corp. from 1952 to 1955 and with American Express Co. from 1946 to 1952. Mr. Millett holds an A. B. degree from Yale University and served in the Navy as a Lieutenant during World War II.

Mr. Richards, an advertising account executive in AF-GL's Boston office, joined the agency in New York in 1956 and was transferred to Boston in April 1959. Previously he was associated with the New Bedford (Mass.) *Standard-Times* for two years. Mr. Richards holds a B. A. degree from Harvard University.

Hardy Sponsors Investors Course

Hardy & Co., members of the New York Stock Exchange, will present an informal course on investment for security and income on Wednesday evenings beginning Oct. 5. The course, from 8 to 9:30 p.m. will be given at the Barbizon-Plaza Hotel, with Samuel C. Greenfield as lecturer. During the course several groups of securities will be analyzed.

Fee for the course is $10.

With Walston & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Richard O. Ellsworth has become connected with Walston & Co., Inc., 265 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Ellsworth was formerly with Merrick & Co.

OBSERVATIONS...

BY A. WILFRED MAY

AFRICA'S OUTPOST OF CAPITALISM

KIMBERLY, UNION OF SOUTH AFRICA—Any intimation that this oasis of capitalism in a continent of socialist revolution is facing "Castro-ization" is, of course, implausible. But the growing impact of the neighboring dynamics, now climaxed in the Belgian Congo, demonstrates the vulnerability of any system, no matter how well intrenched.

Questioned by this writer as to the implications of the Congo situation, Mr. Harry Oppenheimer, the "King of Diamonds," who from here heads the world's most fabulous economic empire which includes the diamond monopoly, could only fall back *legalistically* on the 5-year buying and distributing contract under which his Anglo American-De Beers has been operating with that now-Lumumba-ized country. The Belgian Congo's annual diamond output at about 9 million carats and dominated by industrial stones, has been amounting to about 30% of the total sold by De Beers through its Selling Organization in London; and has constituted 80% of the total world production of industrial diamonds. Neighboring Ghana, another big distributor of the industrial stones, is selling its product directly, outside the De Beers Selling Organization in London.

Along with favorable labor and tax benefits, the far-flung structure and activities of the Anglo American-De Beers manifest the territory's advances in autocratic capitalism. Ever since its initiation in 1917 by Sir Ernest Oppenheimer, associate of Cecil Rhoades, Anglo American (at first importantly financed by J. P. Morgan and other American capital) has grown remarkably in both "width" and "depth."

Fanning out through De Beers and other affiliates, the present Mr. Harry Oppenheimer's empire dominates mining throughout Southern Africa in these four main groups: gold and uranium, diamonds, copper, and coal. Along with innumerable industrial and financial outlets and activities throughout the world—with net assets totaling $2½ billion — the Oppenheimer combine turns out 30% of South Africa's and 58½% of the free world's gold production; over 30% of the area's uranium; and 40% of its coal. Its copper mines in Rhodesia and Nyasaland take 58% of their copper and exert a practical super-cartel direction over the production and marketing of diamonds. The group has both operating and investment interests in 150 companies engaged in activities ranging to explosives, consumer credit, and even mutual funds in the offing. De Beers directly produces 40% of the world's diamonds at its own mines. Also, through its Diamond Corporation, it unilaterally and nonreturnably doles out from its Selling Organization in London monthly allotments, known as "sights," to the Syndicate's subscribers—whose status is that of members of an exclusive club, with their admission and continuance rigidly and arbitrarily decided by an Inner Sanctum sitting in London.

De Beers operating throughout the Dark Continent has founded widespread affiliated businesses, as the Union Acceptances Ltd., a merchant bank; through the Discount House of South Africa is entering the consumer credit field with the United Dominions Trust of England; and is stirring to get into Mutual Funds.

Intensive Metals Activities

In its metals activities the combine gains from three sources: its investments, from servicing the affiliates, and from functioning as bankers to the companies in the Group in which it only has a part ownership interest. This is effected in the following manner:

Anglo American, together with De Beers, are substantial but minority shareholders of 16 gold mines. Their ownership varies between 10% and 30% of each mining company with the remaining respective interest being held by other financial houses and the general public, partly extending overseas. Besides "passively" receiving dividend income, Anglo American provides services as engineers, furnishing buying departments and miscellaneous services along with charging the controlled companies, receiving technical and administrative fees. In these capacities they direct the mines' policies, along with services. They somehow get working control, despite their minority interest, including control of the proxy missionary, and thus dictate the management completely.

As a result, the monthly profits from gold production, running about £3 million monthly, are invested with Anglo American, the top holding unit, pending their dividends and payment of taxes by the affiliated mines. Anglo American-De Beers thus has the use of the money at very low interest rates, for their own profitable investing. If any borrowing is needed, they do this at 4% while simultaneously lending at 6%. "A. A." also collects from their affiliated banks "technical" and financing fees. These are paid to themselves, by themselves, on behalf of the gold companies. The Anglo American holding company is used to finance its mines, with the interest rate charged considerably higher than the interest rate charged to themselves. "A. A." has recently made such loans to finance its own mines, in the amount of £8 million. And in line with these cross-transactions, Anglo sometimes borrows from De Beers, its control-ee.

Up-Stream, Down-Stream, and Side-Stream

Thus, in the conduct of gold as well as diamond operations, we see the monopoly's high-style inter- and intra-company financing in the manner of the n-th degree capitalism harking back to our own holding company era of the 1920's, with up- and down-stream inter-company financing. While in the U. S. A. it took 15 years of S. E. C. administration to unravel the complexes, here the decisive pressures, both external and internal, will be quite different.

As we have indicated, the *external* stimulus toward breaking up this private empire, directly affecting the economies of this and other countries, can ensue from the Congo, or other neighboring crises. Or decisive pressure may come, circuitously, from Moscow's never-ceasing hunger for political hay. Or it can come from economic sanctions against imports and exports sympathetically imposed by other countries, as are already in prospect from Ghana, and even threatened by American Labor, in disapproval of the Apartheid policy here.

Domestic Portents

Or blow-up of super Free Enterprise can emanate on home front. Thoughtful and objective observers make the point of the impossibility of a permanent absence of a consuming middle class. Truly, replacement of this void by social and economic uplifting of

the non-white Natives would stimulate the general economy. But the accompanying wage rises would destroy the enormous profit margins which are basic to the present bonanzas in the metal and diamond industries. Just today we witnessed at each of the Brand and Steyn gold mines the finishing of 1,000 gold bars about to be turned in for $35,000. Their total cost is only $12,000 and $24,000 respectively. But since these huge profit margins, on which the above-described financial prosperity is based, are dependent on the "non-realistic" labor costs—down to 45 cents a day basic, plus food and board — their upward revision would activate the vulnerability of the present set-up.

And the advent of more normal wages would not merely squeeze the booming profits of Anglo American and De Beers. It is calculated that a mere one-shilling (14 cents) per day wage rise would put some of the marginal mines completely out of business (in the absence of a rise in the price of gold).

Basically and with the long view, one is struck here by incongruity of huge enterprises—two gold mines visited today employing 8,800 workers each—and entire communities and even nations, being devoted to serving and storing, as at Fort Knox, a symbol — as both gold and diamonds, without "tangible" value!

"A Girl's Best Friend"—Forever?

We see that even the traditional truism that "diamonds are a girl's best friend" is entailing some skepticism. A despatch from the U.S.A. published in today's press here reports the approval given to Miss Jane Ford's plea made at the Mutual Fund Dealers' Conference in Washington, and elsewhere:

"Diamonds don't pay dividends. They're hard to sell. They cost upkeep in insurance. And they only get you compliments. Wear a smile instead, and put your money in stocks. You will get the same compliments from the smile—and the stock will grow for you."

While we don't assume that the mutual fund will take over as "a girl's best friend,". . . Still we can recall the exit of some popular ostrich feathers, and un-cultured pearls.

Spingarn, Heine 50th Anniversary

Spingarn, Heine & Co., 37 Wall Street, New York City, members of the New York Stock Exchange, and associate members of the American Stock Exchange, on Sept. 20 celebrated the 50th anniversary of its founding. Partners of the firm are: Howard S. Spingarn, Max L. Heine, William E. Boye, and Frank Feldman.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

According to the national summary of business and financial conditions that will appear in the Federal Reserve Bank *Bulletin* for September, the bank states that industrial production in August was slightly below the May-July level and unemployment increased. Personal income changed little and retail sales were maintained. Bank credit showed a small increase, after rising sharply in July, and the seasonally adjusted money supply increased. In late August and early September, common stock prices declined. Following a period of decrease, bond yields changed little or increased.

Industrial Production

Industrial production in August was 109% of the 1957 average—1% below July, which was revised upward to a figure of 110. Output of materials continued to decrease, while production of consumer goods and business equipment changed little at advanced levels.

Iron and steel production declined slightly further in August, and in early September steel mill operations did not show the usual seasonal expansion, owing partly to rail strikes. Production of nondurable materials, after rising to a new high in July, declined in August as output of textiles, paper, and chemicals was reduced and production of mineral fuels was maintained. Auto assembles increased, reflecting a smaller than usual curtailment for model changeovers, and September production schedules indicate an additional rise. On the other hand, output of furniture, television, and some other home goods was reduced further and output of apparel and consumer staples declined slightly from record levels.

Construction

The value of new construction put in place rose slightly less than seasonally during August, and was at an adjusted annual rate of $54.5 billion. A further decline in private residential building was offset in part by a rise in private construction for business purposes and in public highway construction.

Employment

Seasonally adjusted employment in non-farm establishments declined slightly in August, mainly reflecting layoffs at automobile and supplier plants and steel mills. Employment also declined in the service industries but rose further in trade, finance, and State and local governments. Unemployment declined less than seasonally, to 3.8 million and the seasonally adjusted rate rose to 5.9% from 5.4% in July.

Distribution

Seasonally adjusted retail sales, which had declined 2% in July, were unchanged in August. While auto sales rose somewhat, sales at department stores and most other retail outlets declined. Dealer stocks of autos were substantially reduced in August in advance of new model introductions due to begin late this month, but remained higher than at pre-introduction dates in other years.

Commodity Prices

The wholesale commodity price index remained stable in August and in early September. Average prices of industrial commodities changed little, although prices of rubber, textiles, and some other sensitive materials declined further. Among foodstuffs,, prices of meats declined, while prices of some other foods advanced.

Agriculture

Crop prospects continued to improve during August raising the official production forecast to 120% of the 1947-49 average. If achieved, this would be 2% above 1959 and 1958 and well above any year before 1958. Meat production, which has been in record volume most of this year, is expected to rise less than seasonally this autumn reflecting the reduced pig crop of last spring.

Bank Credit and Reserves

Total commercial bank credit increased somewhat further in August reflecting expansion in loans. Holdings of U. S. Government securities changed little following a substantial rise in July associated with Treasury financing. The seasonally adjusted money supply rose slightly further and time deposits at commercial banks continued to expand rapidly. Seasonally adjusted turnover of demand deposits increased.

Member bank borrowings from the Federal Reserve averaged about $260 million and excess reserves $660 million over the four weeks ending Sept. 14; in the previous four weeks, borrowings had averaged $340 million and excess reserves $510 million. Around $700 million of reserves were made available to banks in late August and early September through changes in reserve requirements and in regulations on vault cash allowable as reserves. Reserves were absorbed principally through reductions in Federal Reserve holdings of U. S. Government securities and by currency and gold outflows.

Security Markets

Bond yields generally reached new lows for the year in mid- or late August and then changed little or increased. Between Aug. 12 and Sept. 9, discount rates at Federal Reserve Banks were reduced to 3% from 3½%. On Sept. 9, the Treasury announced an offer to exchange three new 3½% bonds maturing from 1980 to 1998 for four outstanding 2½% bonds, due from mid-1967 to the end of 1969.

Bank Clearings for Week Ended Sept. 17 Are 6.4% Above Same Week Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Step. 17, clearings from all cities of the United States from which it is posible to obtain weekly clearings will be 6.4% above those for the corresponding week last year. Our preliminary totals stand at $29,344,672,724 against $27,588,454,971 for the same week in 1959. At this center there is a gain for the week ending Friday of 13.0%. Our comparative summary for the leading money centers this past week follows:

Wk. End. Sept. 17	1960 (000s omitted)	1959 (000s omitted)	%
New York	$15,451,294	$13,670,847	+13.0
Chicago	1,486,202	1,437,300	+ 3.4
Philadelphia	1,143,000	1,180,000	— 3.1
Boston	765,440	842,441	— 9.1

Auto Industry Holds Key to Activity in Steel Industry

Finished steel buying is on the upgrade, and the improvement, while not as large as expected earlier, still holds out promise for steadily increasing activity the rest of the year *Steel* magazine reported.

The metalworking weekly said steelmakers are heartened by the increasing number of consumers placing production-size orders. Recent buying has been essentially fill-in tonnage.

One Eastern producer looks for a quickening of demand for galvanized sheets as the coastal area repairs and rebuilds in the wake of hurricane Donna.

An Ohio steelmaker reports that piling sheets are in heavier demand by the construction industry than they have been for some time.

And a Chicago producer says that makers of metal office furniture are ordering at a better clip than most customers.

Steel service center order volume is also better. Distributors' steel inventories are down to around 3.4 million tons vs. 3.8 million two months ago.

The auto industry holds the key to activity in steel the rest of this year, *Steel* said. While some carbuilders are taking in substantial tonnage, a number of them are reported holding sufficient inventory for operations into the last quarter.

Planners in Detroit are still not certain how much steel they will need this year because they haven't decided on their mix of compacts and standard sized cars. There is still an unwieldy stock of 1960 models in the showrooms and dealers are pushing 1957 and 1958 used cars on hand to compete with the compacts.

Last week, the national ingot rate recovered 3.5 points to 52.7% of capacity. Output for the week was 1,503,000 tons.

Steel's price composite on No. 1 heavy melting grade of scrap held at $32.33 a gross ton for the second week.

The U. S. share of world steel is falling — from 39% of the world's steel output in 1955 to 28% in 1959.

Steel predicted the U. S. share of world steel capacity will continue to decline over the next few years because: (1) Western Europe, the Communist bloc, and Japan are expanding capacity at a brisk pace. (2) The U. S. has sufficient basic steel capacity and is concentrating on improvement of finishing and handling facilities.

Because U. S. steelmakers are determined to keep their metal competitive with other materials and with low priced overseas steel, they are updating facilities, investing capital to apply recently proved processes and methods, and pushing research programs to make better steel at no increase in product costs.

World production of crude steel in the first six months of 1960 set a record for the period. The U. S. was the only major steelmaker to register a decline. Output fell 5% to 60.7 million tons (from the first half of 1959). Increases were chalked up by Japan (40%, to 11.6 million tons); United Kingdom (28%, to 13.9 million tons); and West Germany (23%, to 18.4 million tons).

"Iron Age" Expects October Will Not Be a Recovery Month in Steel Industry

Capital goods orders by metalworking companies are headed for a sharp decline at year's end and throughout the first quarter of 1961, *The Iron Age* reports.

This warning signal of lower plant and equipment spending comes from the latest survey of metalworking capital appropriations conducted for *The Iron Age* by the National Industrial Conference Board.

New capital appropriations by metalworking companies during April, May and June dropped 31% below the first quarter of the year and 28% below second-quarter 1959.

The decline in capital spending plans is widespread throughout metalworking and cannot be laid at the doorstep of any particular segment of metalworking, according to *The Iron Age*.

Of the 38 industries reporting in the survey, 26 have lowered their sights for future plant and equipment spending. Only 12 increased appropriations from the first to second quarter.

A breakdown of the six major groups within metalworking shows them all running well behind first quarter 1960 in new appropriations approvals.

Primary metals producers are down 13%; fabricated metals, down 43%; non-electrical machinery, down 57%; electrical machinery, down 29%; transportation equipment, down 35%; and instrument makers, down 10%.

This general decline in second-quarter appropriations means a reduced rate of actual spending for plants and equipment in months to come, according to *The Iron Age*. In metalworking, appropriations lead actual spending anywhere from six to 12 months, the magazine says.

The steel industry cut new capital appropriations 27% from the first to second quarter of the year. This was steel's second cutback in a row and followed a

Continued on page 31

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The State and Municipal bond market has been quiet during the past week, thus extending the period of general inactivity that has prevailed since the price mark-ups following the lowering of the discount rate, and the other money market changes, that occurred early in August or thereabouts. Inventories have been variously marked down during the past week or two in order to adjust to the recent lower level of new issue bidding. However, investors have not responded readily to the better yielding offerings that have been proffered during the past few weeks.

Institutional buyers hoping for a market dip, have been attempting to hold out for better yields, while individual investors appear hopeful that a further stock market sell off may bring about more attractive investment in the equity category. Many of the banks, too, seem to be waiting for better yield opportunities in tax exempts even though the credit situation generally seems to promise easier banking conditions at least in the near future.

Impact of Free Reserves

The matter of free reserves could be confusing to many investors. There seems to be some uncertainty in relating the free reserve total to the bond market generally. A month or two ago $200,000,000 of free reserves was considered more than adequate for sustaining our easier money tendency. With the change in reserve requirements, this figure was projected higher. On last report the figure rose close to $600,000,000. This factor alone should be helpful to the bond market but the impact seems lacking at present.

Business Trend Favors Market

Although investors have recently been reluctant to do much buying, the market's technical makeup could generate some improvement. Industrial production still lags relatively, unemployment continues as a matter of concern, consumer spending seems entering a cautious period, the increase in capital spending seems temporarily ended and although a heavy volume of new bond issue financing may be forming up, it poses thus far as no serious threat to the bond market.

On the bright side, the Treasury's advance refunding plan has reportedly gotten off to a favorable start. The amounts thus far involved in the exchange are not available but indications are the total is substantial and the positive effort toward lengthening the Treasury's debt structure would seem to be considered constructive by investors generally. Some political criticism was to be expected. However, some real gesture toward lengthening the debt structure was long overdue.

Recent Tax-Exempt Awards

The record on relatively important recent new issues is not lengthy. On Thursday, September 15, the Puerto Rico Aqueduct and Sewer Authority asked for bids covering $10 million serial (1962-1991) revenue bonds. Four separate groups bid for this generous yielding issue, with the high bid made by Ira Haupt & Co., Merrill Lynch, Pierce, Fenner & Smith, Inc., Banco Credito Y Ahorro Ponceno, and associates. The bonds were scaled to yield from 3% to 4.25%. The easier bond market apparently has slowed down sales as more than $6 million remain in account.

On Monday, September 19, the City of Kenosha, Wisconsin offered $4,120,000 serial (1961-1980) general obligation bonds for competitive bidding. A syndicate headed by the First National Bank of Chicago and including Northern Trust Co., First Boston Corp., Kidder, Peabody & Co., and Goldman Sachs & Co. was high bidder. The issue was reoffered at prices to yield from 1.75% to 3.50%. A fine investor reception has been accorded.

On Tuesday, September 20, several interesting general market issues were offered for bids. The $25 million State of Michigan Trunk Line Highway (1961-1985) issue was the largest. These Highway bonds are payable solely from funds allocated to the State Highway Department from the State Motor Vehicle Fund. A sufficient amount is irrevocably appropriated to pay the principal and interest of these bonds. Two large groups bid for this issue with the Blyth & Co. group winning out in very close competition. The bonds were priced to yield from 1.75% to 3.90%.

Associated with Blyth & Co. in this business were Halsey, Stuart & Co., First of Michigan Corp., Braun, Bosworth & Co., Inc., Eastman Dillon, Union Securities & Co., and 100 or more others. Bonds remaining in account at this writing total $11,000,000.

Also on Tuesday one of the nation's top credits, Milwaukee, Wisconsin offered $10,750,000 of serial (1961-1973) general obligation bonds for public bidding. Six strong groups bid for this issue and, in close bidding, the award was made to The Northern Trust Co. group, which included Bankers Trust Co., Continental Illinois National Bank & Trust Co., The Chase Manhattan Bank, Chemical Bank New York Trust Co., C. J. Devine and others. The group reoffered the bonds at prices to yield 1.50% to 2.85%. Interest in the issue was reported as fair.

On the same day, The City of Springfield, Massachusetts, long known for its fiscal excellence, asked bids for $3,750,000 general obligation bonds. The banking group headed by the Bankers Trust Co. and including The Chase Manhattan Bank, Harris Trust and Savings Bank, Salomon Brothers & Hutzler and others, was high among the many bidders. Reofferings were made at prices to yield from 1.50% to 3.05%. At least 85% of the issue was taken on initial reoffering.

The Chase Manhattan Bank group was successful in bidding for $6,000,000 City of Youngstown, Ohio serial (1962-1986) general obligation bonds. The group also included C. J. Devine & Co., The Philadelphia National Bank, Ira Haupt & Co., and others. The reoffering was made at prices to yield from 2.00% to 3.70%. The balance this morning is $4,000,000.

The Week's Largest Sale

Yesterday (Sept. 21) the State of Connecticut offered $35,440,000 Highway System general obligation serial (1963-1980) bonds. Two bids were made for the bonds and they were almost identical. The Chase Manhattan Bank-Morgan Guaranty Trust Co. group bid 100.07999 and was given the award. The First National City Bank group bid 100.0799 and was obviously a very close loser. The difference in bids in terms of dollars was only $31.75, it is reported. This comes close to being a record for this type of offering. The bonds were reoffered at prices to yield from 2.00% to 3.10%. The group includes Bankers Trust Co., The First National Bank of Chicago, The Northern Trust Co., and many others. At this writing, sales results are not available but considerable favorable interest was apparent.

Dollar Bonds Strong

The dollar quoted Toll Road issues have been quiet but steady during the past week. This category of tax exempt investment has fluctuated but little since early August. On September 1, the *Smith Barney & Company* toll road average yield index was 3.48%, September 8 it was 3.82% and on the last reporting date, September 15, it was back to 3.48%. It is our surmise that it is but little changed today.

Most of the toll roads have done very well this year, with many of them enjoying record net revenues. These favorable developments could stimulate further toll road financing in the not distant future.

The *Blue List* total of state and municipal bonds, which is a relatively accurate measure of the street float of secondary market inventory, has moved up to $396,-635,000 as reported on September 22. The total a week ago was $365,987,000, while the aggregate on August 17 was $204,180,699. Considering the recent mark-up in prices, this progression was to be expected. The new issue calendar is considerably less voluminous over the next 30 days than it usually is at this time of year. Moreover, there appear to be no large negotiated type issues scheduled for near term flotation. Some further market improvement may soon develop.

Incidentally, the continued easier tone in the tax-exempt market is reflected in the *Commercial and Financial Chronicle's* yield index on a group of representative serial bonds. The figure on September 21 was 3.242%, compared with 3.192% a week ago and 3.177% on September 7.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.70%	3.60%
Connecticut (State)	3¾%	1980-1982	3.25%	3.10%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.15%	3.05%
New York (State)	3%	1978-1979	3.00%	2.90%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.85%
Vermont (State)	3⅛%	1978-1979	3.00%	2.90%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.25%	3.15%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.25%	3.15%
New Orleans, La.	3¼%	1979	3.55%	3.40%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.70%	3.65%

September 21, 1960 Index=3.242%

Stroud Appoints Maguire

PHILADELPHIA, Pa.—The appointment of William E. Maguire as Registered Representative has been announced by Stroud & Company, Incorporated, members of the Philadelphia - Baltimore Stock Exchange. Mr. Maguire will operate from the firm's Philadelphia headquarters at 123 South Broad Street.

Prior to the Stroud appointment, Mr. Maguire was associated with another Philadelphia investment firm.

J. M. Miller Opens

(Special to THE FINANCIAL CHRONICLE)

SANTA ANA, Calif. — John M. Miller is conducting a securities business from offices at 120 Bachman Drive.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set. ***Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.***

Sept. 22 (Thursday)

Buffalo, New York	12,335,000	1961-1989	11:00 a.m.
Honolulu City and County, Hawaii	8,000,000	1963-1980	8:00 a.m.
Orchard Park, etc., Central School District, No. 1, New York	2,316,000	1961-1987	11:00 a.m.
Roseville, Minnesota	1,000,000	1961-1980	8:00 p.m.
West Essex Reg. Sch. Dist., N. J.	4,785,000	1962-1985	8:00 p.m.

Sept. 26 (Monday)

East Orange, New Jersey	1,174,000	1961-1975	8:00 p.m.
Edina, Minnesota	1,800,000	1962-1970	7:30 p.m.

Sept. 27 (Tuesday)

Athens, Georgia	1,650,000	1961-1990	Noon
Cleveland, Ohio	7,000,000	1966-2000	11:00 a.m.
Detroit, Michigan	11,200,000	1962-1995	10:30 a.m.
Detroit School District, Michigan	10,000,000	1962-1987	10:00 a.m.
Eastern Kentucky State College, Kentucky	2,000,000	1962-1990	1:00 p.m.
Northeast Sacramento County Sanitary District, Calif.	4,000,000	--------	--------
Racine, Wisconsin	3,732,000	1961-1980	2:00 p.m.
Rockingham County, N. C.	2,000,000	1963-1982	11:00 a.m.
Stanton Local School Dist., Ohio	1,597,000	1962-1985	1:00 p.m.
Wallingford, Connecticut	1,150,000	1961-1980	11:30 a.m.
Wisconsin State Colleges, Wisc.	2,700,000	1961-1996	10:00 a.m.

Sept. 28 (Wednesday)

California	75,000,000	1962-1986	10:00 a.m.
Long Beach City School District, New York	1,800,000	1961-1979	11:00 a.m.
Louisiana	15,000,000	1961-1984	11:00 a.m.
Topeka, Kansas	1,194,500	1961-1970	11:00 a.m.
Westfield School District, N. J.	1,000,000	1962-1981	11:00 a.m.

Sept. 29 (Thursday)

Austin, Texas	5,000,000	1962-1986	10:00 a.m.
California Toll Bridge Auth., Cal.	7,000,000	2000	11:00 a.m.
Cleveland Heights, Ohio	1,000,000	1962-1976	Noon
Fairbanks, Alaska	1,500,000	1961-1980	2:00 p.m.
Glastonbury, Connecticut	1,160,000	1961-1980	2:00 p.m.
Greenburgh Union Free School District No. 8, New York	3,600,000	1961-1990	2:00 p.m.
Mount Horeb, Etc. Union High Sch. District, Wisconsin	1,050,000	1961-1980	7:30 p.m.
New Scotland, Guilderland & Berne Central School Dist. No. 3, N. Y.	1,375,000	1961-1987	3:00 p.m.
Plaquemines Parish, La.	2,500,000	1961-1980	11:00 a.m.
Randolph Twp., New Jersey	2,100,000	1961-1980	8:00 p.m.

Oct. 3 (Monday)

*Kentucky Turnpike Authority, Ky.	55,000,000	2000	--------
Waverly School District, Michigan	3,200,000	1963-1990	8:00 p.m.

*Negotiated sale to be underwritten by a syndicate managed by Allen & Co.

Oct. 4 (Tuesday)

Clifton, New Jersey	2,000,000	1961-1980	8:00 p.m.
Cumberland County, No. Carolina	2,000,000	1962-1981	11:00 a.m.
Lakeview School District, Mich.	1,775,000	1961-1989	8:00 p.m.
Linden, New Jersey	3,836,000	1961-1985	11:00 a.m.
Lubbock Indep. Sch. Dist., Texas	2,250,000	--------	3:00 p.m.
Summit County, Ohio	1,800,000	1962-1981	Noon

Oct. 5 (Wednesday)

Alameda Co. Water District No. 1, California	1,870,000	1970-1984	7:45 p.m.
Gloucester City School Dist., N. J.	1,885,000	1961-1983	8:00 p.m.
Hawaii County, Hawaii	2,500,000	1963-1982	2:30 p.m.
Lee County, Florida	2,000,000	1962-1980	10:00 a.m.
Orleans Parish School Board, La.	10,000,000	1961-2000	10:00 a.m.
Washoe Co., Nevada	2,500,000	1962-1990	9:00 a.m.

Oct. 6 (Thursday)

Des Moines Independent Community School District, Iowa	3,000,000	1961-1980	10:00 a.m.
Fond du Lac, Wisconsin	1,600,000	1961-1980	11:00 a.m.

Oct. 10 (Monday)

Caldwell-West Caldwell School District, New Jersey	2,615,000	1962-1988	8:00 p.m.
Michigan College of Mining & Technology, Michigan	1,400,000	1962-1999	11:00 a.m.
Port of Portland, Oregon	2,000,000	--------	--------

Oct. 11 (Tuesday)

St. Charles Parish School District No. 1, Louisiana	1,000,000	1963-1985	7:00 p.m.

Oct. 12 (Wednesday)

Douglas County, Roseburg School District No. 4, Oregon	1,135,000	1964-1978	8:00 p.m.

Oct. 17 (Monday)

Dallas, Texas	4,000,000	1961-1980	1:45 p.m.
Fort Stockton Ind. Sch. Dist., Texas	1,050,000	--------	--------

Oct. 18 (Tuesday)

Los Angeles Co. Flood Control District, California	10,000,,000	--------	--------

Oct. 25 (Tuesday)

Vineland, New Jersey	4,200,000	1961-1980	Noon

Oct. 26 (Wednesday)

Rochester Special School District No. 4, Minnesota	2,500,000	--------	--------

Nov. 1 (Tuesday)

Bloomington, Minnesota	3,000,000	--------	--------

Nov. 15 (Tuesday)

Los Angeles City Harbor District, California	12,000,000	--------	--------
*New York State Housing Finance Agency, New York	100,000,000	--------	--------

*Negotiated sale to be underwritten by a syndicate managed by Phelps, Fenn & Co., and including, among others, Lehman Bros., Smith, Barney & Co., Inc., and W. H. Morton & Co., Inc.

Dec. 13 (Tuesday)

Los Angeles County Hospital Dist. California	7,000,000	--------	--------

THE SECURITY I LIKE BEST...

Continued from page 2

(HTL or Blended Binder) and filler (Short Filler). The only area where major production changes have not taken place is in the wrapper. However, several companies are working on a new process for the wrapper which could provide even greater savings than were realized on the other cigar components.

Consolidated Cigar Corporation was incorporated in 1919. The company has grown through internal expansion and acquisition and is now the largest cigar manufacturer in terms of dollar sales volume. The principal cigars sold are Dutch Masters, El Producto, La Palina, Harvester, Lovera, Muriel, and Headline.

Consolidated's sales have increased an average of over 8% annually during the past five years (excluding acquisitions). It is interesting to note that with one exception sales have increased in every year since 1938—the exception was 1950 when sales declined 2.2%. Earnings during the five-year period have more than kept pace with sales showing an average increase of about 10% annually. For 1960, sales are projected to pass the $100 million mark for an increase of more than 11%. Earnings per share are estimated at $3 versus $2.74 reported in 1959. The $0.25 quarterly dividend is expected to be again supplemented with a year-end extra ($0.25 extra paid in 1959) or possibly a stock dividend, to maintain a yield of about 3¾% at the current price level.

Over the long-term future, sales are projected to continue an average increase of 8% annually—before acquisitions. Growth in earnings per share is expected to approximate that in sales. Of major importance is the prospect of a process for blended wrapper. This could raise earnings by over $2 per share if the process is used in all cigars—although a part of this would probably be used for higher promotional expenses.

A question sometimes raised is the effect of possible adverse developments in Cuba on the importing of Havana tobacco. Consolidated uses a relatively small amount of Havana tobacco in the bulk of its cigars — companies which sell higher-priced brands would be most affected. The absence of a major difference in taste between high- and low-priced cigars would probably induce smokers of more costly cigars to trade down to brands which make up most of Consolidated's sales.

Kerr With H. O. Peet

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—Guy Reagin Kerr has become associated with H. O. Peet & Co., 23 West 10th Street, members of the New York and Midwest Stock Exchanges. Mr. Kerr was formerly Kansas City, Kansas, manager for Beecroft, Cole & Co.

William A. Strumillo, formerly with Stowers & Co., has also joined the firm's staff.

Rejoins Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

ENCINO, Calif.—Lee L. Hawkins has rejoined the staff of Bache & Co. in the Encino office, 16033 Ventura Boulevard. He has recently been with J. Barth & Co. and prior thereto was with Bache in their Beverly Hills office.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Argentina — Bulletin on current situation — The First National Bank of Boston, Boston, Mass.

Bank Stock Notes — Circular on leading New York City Banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Bank Stocks—Quarterly review—M. A. Schapiro & Co., Inc., 1 Wall St., New York 5, N. Y.

Bank Stocks—Report—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Canadian Income Taxes and Other Legislation—Newly revised booklet—Dept. CFC 3—The Bank of Nova Scotia, 44 King Street, West, Toronto; New York agency, 37 Wall Street, New York 5, N. Y.

Canadian Uranium Industry with particular reference to **Rio Algom Mines**—Memorandum—D. D. Creighton & Co., Ltd., 129 St. James St., West, Montreal 1, Quebec, Canada.

Common Stocks: For Capital Gains, for Capital Gains & Income, and for Liberal Income and Safety—Orvis Brothers & Co., 15 Broad St., New York 5, N. Y.

Electric Utilities—Review — Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a bulletin on **Associated Testing Laboratories, Inc.** and a list of ten quality depressed stocks for income.

Gold—Review of U. S. Gold situation — First National Bank in Dallas, Dallas, Texas.

Hospital Supply Industry—Report — With particular reference to **American Hospital Supply Corp., Will Ross, Inc.** and **American Sterilizer Co.** — The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis.

Japanese Shipbuilding Industry—Review in current issue of "Investor's Digest" — Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. In the same issue are reviews of the **Road Construction Machinery Industry** and **Japanese Fisheries.** Also available are data on **Toyo Kogyo Co., Ltd.** and **Tokyo Gas Co., Ltd.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a discussion of the new administrative amendment to the foreign investment law of Japan and analyses of **Sony, Mitsui Bussan, Fuji Electric Manufacturing, Nippon Steel Tube, Isuzu Motor, Toyo Rayon, Toyota Motor, Mitsui Chemical Industry,** and **Kirin Breweries.**

Life Insurance Stock Evaluator—Comparative figures—J. H. Goddard & Co., Inc., 85 Devonshire St., Boston 9, Mass.

Life Insurance Stocks — Report — David L. Babson and Company Incorporated, 89 Broad St., Boston 10, Mass. Also available is a discussion of foreign stocks.

Market Outlook — Review — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Missile Shares—Bulletin—Walston & Co., Inc., 74 Wall St., New York 5, N. Y.

Movie Stocks—Review with particular reference to **Metro Goldwyn-Mayer, United Artists, Twentieth Century-Fox Film Corp.** and **Decca Records**—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y.

New York City Bank Stocks — Analysis of outlook — The First Boston Corp., 15 Broad St., New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Profits From International Operations — Discussion in September issue of Exchange Magazine —The Exchange Magazine, 11 Wall St., New York 5, N. Y. — 20 cents per copy, $1.50 per year. Also in the same issue is an article on the ten top stock issues owned by three closed-end funds, the seating industry, and data on **Southeastern Public Service Co., Cleveland Cliffs Iron Co., Spartans Industries, Bullock's Ind., Dubois Chemicals** and **Holt, Rinehart and Winston, Inc.**

Savings & Loan Holding Companies — Memorandum — Jesup & Lamont, 26 Broadway, New York 4, N. Y.

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Taxation in Canada — "Guide to Business in Canada" discussion major Canadian taxes affecting business or personal interests in Canada—Bank of Montreal, Business Development Department, Montreal, Canada; 2 Wall St., New York 5, N. Y.

Telephone Stocks—Study—Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y.

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Aid, Inc.—Memorandum—Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available are memoranda on **Cray Systems, Inc., Great Western Financial Corp., Lucky Stores, Metropolitan Broadcasting Corp., Signal Oil & Gas Co., Telecomputing Corp., Upjohn Co., Utah Concrete Pipe Co.** and **Utah Construction & Mining Co.**

All State Properties — Memorandum—Bear, Stearns & Co., 1 Wall St., New York 5, N. Y.

Amerada—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Anelex Corp.—Review—Alfred L. Vanden Broeck & Co., 55 Liberty St., New York 5, N. Y. Also available is a review of **Standard Financial Corp.**

Bell & Gossett—Memorandum—Blair & Co. Incorporated, 20 Broad St., New York 5, N. Y.

Brilhart Plastics—Memorandum—William Norton Co., 44 Wall St., New York 5, N. Y.

Carborundum Company — Report —E. F. Hutton & Co., 61 Broadway, New York 6, N. Y.

Chance Vought—Memorandum—Stearns & Co., 72 Wall St., New York 5, N. Y.

Coastal State Gas Producing Co.—Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available are analyses of **Gardner Denver Co., Lau Blower Co., Northern Indiana Public Service Co.** and **Olin Mathieson Chemical Corp.**

Columbia Broadcasting System—Bulletin — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a review of **Columbia Gas System.**

Combustion Engineering—Memorandum—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Continental Baking Company — Review—Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y. Also in the same bulletin are reviews of **Mack Trucks** and **Air Reduction Company.**

Continental Casualty Company—Analysis — William Blair & Co., 135 South La Salle St., Chicago 3, Illinois.

Corn Products Co. — Review — Hornblower & Weeks, 40 Wall St., New York 5, N. Y.

Crown Cork & Seal Co.—Bulletin —Schweickart & Co., 29 Broadway, New York 6, N. Y.

Dilbert's Leasing & Development Corp.—Analysis—L. J. Termo & Co., Inc., 79 Madison Ave., New York 16, N. Y.

Elder Mines & Developments, Ltd. — Descriptive brochure — Press Release, Inc., Empire State Bldg., New York 1, N. Y.

Electromedia Inc. — Analysis — Baron, Black, Kolb & Lawrence, Inc., 253 North Canon Drive, Beverly Hills, Calif.

Falconbridge Nickel Mines Ltd. —Analysis—Wills, Bickle & Co., Ltd., 44 King St., West, Toronto 1, Ont., Canada.

First National Stores—Memorandum—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also available are memoranda on **National Fuel Gas** and **Tennessee Gas Transmission.**

General Coil Products Corp. — Bulletin—Don Buchholz, Inc., 32 Broadway, New York 4, N. Y. Also available is a bulletin on **Georgia Bonded Fibers, Inc.**

General Public Utilities Corp.—Analysis—Parrish & Co., 40 Wall St., New York 5, N. Y.

Great Western Financial Corp.—Review—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are reports on **Jim Walter Corp.** and **Tennessee Corp.**

Greyhound of Canada—Review—Ross, Knowles & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada. Also available is a discussion of **MacMillan, Bloedel and Powell River Ltd.**

Hycon Manufacturing Company—Analysis—Schirmer, Atherton & Co., 50 Congress St., Boston 9, Mass. Also available is a review of **Laboratory for Electronics.**

J. C. S. Electric Company—Analysis—Woolrych, Currier & Carlsen Incorporated, 233 A St., San Diego 1, Calif.

Jaguar Cars Ltd. — Analysis — Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

Lafayette Radio Electronics — Memorandum—Reimer & Co., 120 Broadway, New York 5, N. Y.

Landers, Frary & Clark—Analysis —Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

R. H. Macy & Co., Inc.—Analysis —Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also available is an analysis of **General Railway Signal Company.**

Manhattan Shirt—Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

McGraw-Edison Company — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Central Hudson Gas & Electric Corp.**

McGraw-Hill — Memorandum—Laidlaw & Co., 25 Broad St., New York 4, N. Y.

McLouth Steel Corp.—Memorandum — Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

McNeil Machine & Engineering Company — Analysis — McDonald & Co., Union Commerce Building Cleveland 14, Ohio.

Morrison Knudsen Company Inc —Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 4, N. Y.

Northern Ontario Natural Gas Co., Ltd. — Analysis — Doherty Roadhouse & Co., 335 Bay St. Toronto, Ont., Canada.

Northern Trust Company—Report —The Illinois Co., Inc., 231 South La Salle St., Chicago 4, Ill. Also available is a bulletin on **North American Life Insurance Company of Chicago.**

O. K. Rubber Welders—Memorandum—Bosworth, Sullivan & Co., Inc., 660 Seventeenth St., Denver, 2, Colo.

Oxford Manufacturing Company Inc.—Report—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

Pepsi-Cola United Bottlers — Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available are data on **Philip Morris.**

Pioneer Natural Gas Company—Analysis — Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also available are comparative figures on **Public Utility Stocks, Missouri-Kansas-Texas Bonds, Central Illinois Light, Fairchild Camera & Instrument, Building Industry, Copper Industry, American Electric Power, General Public Utilities Corp.,** and a portfolio to yield 5%

Plough Inc. — Analysis — R. W. Pressprich & Co., 48 Wall St., New York 5, N. Y.

Ryder System, Inc.—Annual Report and history of this transportation company — Ryder System, Inc., Dept. SE 11, P. O. Box 33-816, Miami, Florida.

Southern Indiana Gas & Electric Company—Report—Hardy & Co., 30 Broad St., New York 4, N. Y.

Standard Register Company—Bulletin—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a list of comparative figures on **Oil Stocks.**

Suburban Gas—Analysis—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Suburban Gas—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Taylor Instrument Cos. — Memorandum—First California Co., 300 Montgomery St., San Francisco 20, Calif.

Union Bank of Los Angeles — Brochure — Stern, Frank, Meyer & Fox, Union Bank Building, Los Angeles 14, Calif.

United Air Lines—Memorandum —Hecht & Co., 14 Wall St., New York 5, N. Y.

Universal Controls — Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Vector Manufacturing—Memorandum—Gunn, Carey & Roulston, Inc., Union Commerce Building, Cleveland 14, Ohio.

Vick Chemical Company — Review in current "Investor's Reader" — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue are reviews of **Jersey Production Research Co., National Rubber Machinery Co., Union Carbide, Prentice Hall Inc., General American Transportation Corp.** and stocks with low price-earnings ratios.

Western Union Telegraph Co.—Analysis — Sartorius & Co., 39 Broadway, New York 6, N. Y.

With Hemphill, Noyes

(Special to THE FINANCIAL CHRONICLE)

FALMOUTH, Mass. — Robert P. Bagg, Jr. has become associated with Hemphill, Noyes & Co. Mr. Bagg was formerly local manager for du Pont, Homsey & Company.

Joins B. C. Christopher

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—Richard C. Adler has become affiliated with B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange. He was formerly with H. O. Peet & Co.

Merrill Lynch Adds

(Special to THE FINANCIAL CHRONICLE)

OMAHA, Neb. — Gerald P. Melchior has been added to the staff of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 305 South 17th Street.

With United Securities

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C. — Porcher B. D. Ancrum has joined the staff of United Securities Company, Southeastern Building.

Straus, Blosser Adds

MILWAUKEE, Wis. — Wallace B. Behnke has been added to the staff of Straus, Blosser & McDowell, 710 North Water Street.

Now With Walston

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Arthur A. Cohen has become connected with Walston & Co., Inc., 210 East Wisconsin Avenue. He was formerly with Harris, Upham & Co.

Future Tax Legislation for Healthy, Sustainable Growth

By Fred C. Scribner, Jr.,* *Under Secretary of the Treasury, Washington, D. C.*

Treasury official provides an up to date insight into the Administration's views regarding Federal tax policies. In so doing he briefly reviews the economic outlook in order to indicate the importance of a stable currency and a healthy tax climate in achieving a favorable economic posture. Mr. Scribner abjures special legislation which provides tax relief to only a few or only in limited situations on the ground that it delays comprehensive tax reduction. His paper stresses our depreciation tax laws, contrasts them with the English, and outlines past and proposed tax progress in general.

Today there is less drive behind inflationary pressures than at any time in the last 20 years. The American economy is now functioning without the artificial stimulus of inflationary expectations. The quieting of these expectations dates almost precisely from the President's State of the Union message in January when he confirmed the prospects for a surplus for fiscal 1960 and presented a budget with a projected $4.2 billion surplus for fiscal 1961.

Fred C. Scribner, Jr.

Businessmen are now justified in making plans and calculating costs on the basis of a stable dollar rather than on the false illusion of inflation engendered profits. This is precisely what is required if we are to achieve in this Nation a long period of healthy noninflationary growth.

For the first time in 20 years the economy is moving along that desirable middle ground which avoids inflation on the one hand and deflation on the other. If the American people had not accepted the disciplines required for the maintenance of sound money, the situation today, in my judgment, would be far different. Inflationary psychology would probably have spread, the healthy advance in economic activity could have been converted into unsustainable upsurge based on speculation, and the international position of the dollar would have been weakened.

The lesson of this experience is not that we have won a final vitory in the battle against inflation. The maintenance of financial integrity is not an on-again off-again task; it requires the utmost diligence at all times. Complacency is our number one enemy in the battle for sound money.

Because to many of our citizens, fiscal and monetary policies seem complicated and remote, none of us can too frequently call attention to the time-tested government financial policies necessary to help promote sound money, job opportunities and to provide the basis for a healthy and sustainable economic growth.

At the very minimum, during a period of strong business activity such as now exists, we must achieve a moderate surplus in the Federal budget. Sensible economics justifies this type of policy to help dampen those pressures which, through inflation, would destroy the value of people's savings and the stability of our money. During periods of strong business activity when spending by consumers, businesses and State and local governments is substantial, the Federal Government can help to keep spending from outrunning productive capacity by restraint in its own fiscal activities. In times of good business, spending by the Federal Government should be matched by taxes with a margin left over, a surplus to be applied to debt retirement.

A determination to maintain fiscal discipline is consistent with and vital to this country's determination to meet our domestic and international responsibilities. Such a determination is a recognition of the fact that in meeting those responsibilities — whether they consist of national defense, or desirable domestic programs, or assistance to the developing nations of the Free World—we must do so in a way that will not impair the functioning of our free enterprise economy. And we must be ever mindful of the fact that this nation's greatness has resulted, not from the operation of a paternalistic government that seeks every opportunity to broaden its activities, but from giving maximum free play to individual initiative.

In addition, if we maintain fiscal discipline we shall be in much better position to counter effectively fluctuations in business activity that sometimes can occur in a free enterprise society.

Monetary discipline is the second indispensable pillar of financial integrity. To the individual, more money means a greater ability to buy the things he wants and needs for better living. But to the economy as a whole, more money in circulation does not necessarily mean that everybody will be better off. If the additional money is not matched by more goods and services available to be purchased, the inevitable result is higher prices. And, as prices rise, more and more people with relatively fixed incomes, or who live on past savings, find it difficult to purchase the bare necessities of life.

Monetary discipline, then, requires conscious government policies which tend to prevent money from being too freely available at one time, too restricted at another.

The vigor of the business upturn in mid-1958 threatened to push economic activity rapidly ahead at an unsustainable pace. Credit demands multiplied as businesses and consumers borrowed heavily to support spending. Under these circumstances, growth in the money supply had to be restrained; otherwise, spending would have tended to rise much more rapidly, excessive speculation could have been stimulated, and the chances of a sharp cutback to lower levels of activity would have been greatly increased. In short, monetary discipline was essential, and it was achieved through the courageous and timely actions of the Federal Reserve authorities, who are charged by Congress with the responsibility for monetary management.

What we do as a government—the policies we pursue—affect not only the American people but all the people of the Free World. Since the Second World War we have become, in effect, one of the world's major bankers. We are in this international financial position, not as a matter of deliberate choice, but as a consequence of the course of world development.

The dollar has become the principal reserve currency for many friendly nations abroad. It supplements gold as a basic monetary reserve. It is a currency in which other nations of the Free World have confidence. This confidence has been earned over a period of many years.

A strong dollar can perform the function of a reserve currency; a weak dollar cannot. We will retain confidence, if we continue to follow the time-tested and wise governmental financial policies that have proved their worth over so many years. We can lose this confidence if, because of an unwillingness to face up to the economic facts of life, we permit inflation to undermine the real value of the United States dollar.

Inflation, therefore, can be a thief at home; it can undermine our position of world leadership and hamper the entire Free World in its struggle against communism.

Tax Matters

For the 1960's we need not only a stable currency but also a tax climate which will encourage our people to save and to make their savings available to assist in meeting plant and equipment requirements both at home and abroad. In the current fiscal year, it is estimated that the Federal Government will collect from individuals and businesses $99.3 billion. Total Federal taxes are equivalent to about one-fifth of the gross national product of our economy or one-quarter of national income. The bulk of this sum represents sums collected to pay for the 1961 budgeted expenditures voted by the Congress. The balance consists of taxes collected to maintain the trust funds, through which the social security and highway construction programs are financed.

In our concern with the mounting Federal tax burden we must not overlook developments on the state and municipal levels. Tax revenues of the 50 state governments hit a record high of $18 billion in fiscal 1960, up 14% from taxes collected in the previous year. Taxes collected by the states have doubled since 1951. Local taxes were also at an all-time high last year, totaling nearly $18.5 billion. While totals here seem small compared to Federal collections, the annual rate of increase is substantial and steady.

The existing tax burden is extremely heavy. Nevertheless, the possibility of relief through any general tax reduction must be carefully weighed in the light of expenditures approved by the Congress, the level of our national debt, and the effects of the government's financial policies upon economic activity and upon the value of the dollar. Financial discipline in limiting spending and fiscal responsibility in maintaining revenues, while often irksome and unpopular, are necessary to serve the broad public interest.

It is a truism to say that our Federal tax structure is like Topsy —"It just growed." Time after time a new tax has been imposed or an existing tax increased to meet the demands for additional revenue which were then presented to the Congress. Many of our taxes imposed as war measures or intended to be in effect for a limited time are still in existence.

In the early days of our Federal income tax, the major, if not the entire, interest of those drafting and submitting such legislation was directed to obtaining the necessary funds through legislation which would be certain and simple, would impose the tax with fairness to all and in a manner which would permit its collectior with a minimum expenditure of funds. Tax rates were low and the total Federal tax take was such a small portion of the Gross National Product, that only the most limited attention was required to be given to the question of whether or not a particular tax would in some way impede the expansion of our economy through discouraging the accumulation of savings and the investment of such savings in areas which would make them available to finance the expansion of our industrial plant.

Today we have quite a different approach to tax legislation. No change in the tax law is considered without major attention being given to the question of whether or not it will aid and assist in strengthening and expanding our economic system.

The elimination of a tax or the reduction of a tax rate by allowing individuals and businesses to retain more of their earnings is, in my judgment, the most effective contribution which we can make to this basic objective.

The 1954 Code, in addition to making many major and necessary changes which altered the impact of the Federal tax burden, did provide for major reductions totaling $7.4 billion annually in the total Federal income tax collected from American taxpayers.

Some have forgotten the magnitude of the relief which the 1954 changes brought about. Structural changes in the Code reduced taxes annually in the amount of $1.4 billion. Elimination of the excess profits tax reduced the nation's annual tax burden by $2 billion. Reductions in excise taxes accounted for $1 billion and reductions in individual income tax rates $3 billion.

The major benefit of the '54 reductions went to individuals. In addition to the cut of $3 billion in individual taxes flowing from rate reductions, individuals shared to a substantial extent in the savings from the excise tax reductions and in the benefits provided by the structural changes in the system. Each tax change which allows an individual to retain more of his earnings makes the individual a potential investor and a source of funds, particularly for equity financing.

The structural changes made in the '54 Code, and in subsequent years, have made the tax burden easier and fairer for many, and reduced tax barriers to long-term economic growth.

While all of us have a most immediate and personal interest in those tax changes which reduce our own tax burdens, some have, I am sure, an even greater interest in the changes made in 1954 and subsequent years, which have contributed to the growth and increasing efficiency of American business. There are many of these, far more than most taxpayers and businessmen appreciate. Some of the most important include: (1) the granting to taxpayers the option to deduct research and experimental expenditures or to capitalize them and write them off in a period of not less than five years; (2) extending the period for carry-back of losses, thereby providing, in combination with the five-year carry forward, a total span of eight years for absorbing a loss; (3) liberalized the provisions permitting the accumulation of surplus.

Substantial relief for small business was provided by the Small Business Tax Revision Act of 1958, including more liberal loss deductions for investors in certain small business corporations; further extension of the net operating loss carryback; more liberal depreciation allowances; more time to pay estate taxes attributable to investment in closely-held business enterprises, and an increase in the amount of earnings a small business may accumulate without being subject to tax on improper accumulation of surplus.

Depreciation

Many believe that the major contribution made to the Nation's economy by the 1954 Code was in

Continued on page 29

Vending Machine Industry Is Still Far From Maturity

By Tadeusz Kozlowski, Security Analyst, A. M. Kidder, & Co., New York City, Members New York Stock Exchange*

Wall Street analyst's description of the new and changing vending machine industry includes a company by company tabulation of the sales, earnings and dividends for nine manufacturers, four operators and two companies that manufacture and operate vending machines. Mr. Kozlowski points out that the industry is still in the throes of developing and that its maturity is not even in sight. He deals with the technological challenges confronting the business and, for investors and analysts alike, offers some yardsticks to evaluate vending stocks.

The vending industry is a very recent discovery of the financial community — and security analysts are no exception. This is not quite so strange as it may seem because the industry, as it is seen by an analyst today, was not even in existence five years ago. Miscellaneous companies were active in the field, but even such relative leaders as Automatic Canteen and ABC Vending were not identified as an investment group, while Vendo, Rowe Manufacturing and Vendorlator were all relatively small equipment manufacturers, even though they were the largest of their type at that time. Except for these, most of the hundreds (or perhaps thousands) of the businesses connected with automatic vending—not even full-fledged companies — were mostly operators, and they were absolutely unknown to the broad circle of the investing public. Since 1955, the industry has been in a formative phase but, even though it has been a very rapid process, the evolution is still far from being completed and maturity is not even in sight.

Tadeusz Kozlowski

The Formative Years

From the standpoint of today's industry standards and the main representative companies, Automatic Canteen, for example, attained its present status only five years ago when it merged with Rowe Manufacturing; Universal Controls, also in 1955, on the acquisition of American Totalizator and General Register; Vendo, a year later, in 1956, on the acquisition of Vendorlator and, later, Stoner Manufacturing. Also in 1956, Universal Match became a totally new entrant into the field, when it added National Vendors and National Rejectors to its divisions; Continental Industries, in that same year, upon its acquisition of National Vending and several other businesses that followed; Seeburg, which took its present form in 1956, but even today is not quite a vending company; and, finally, Automatic Retailers of America, which was put together only last year and is already one of the leaders in the field.

Many of the smaller companies entered the industry at about the same time, while they were still privately held. They placed their first public offerings on the market either last year or in 1960. In 1959, three entirely new issues were sold to the public: Glasco, LaCrosse and Automatic Retailers. Those were followed this year by G. B. Macke, with Vendo moving up two steps, so to speak, to the Big Board from the over-the-counter trading.

For these reasons, the formative years should be the subject of the most concentrated scrutiny by an analyst. Their study brings out several characteristic features, some of which are permanent and peculiar to the basics of the industry, and to the trends that are behind its growth and which may therefore be expected to persist. Other features are probably only indicative of the current formative process and will probably disappear when it is fully completed which, of course, will be at different times for individual companies.

Manufacturers & Operators

A permanent characteristic of the industry, for example, would be its division into manufacturers of vending equipment and the operators of the machines, and the differences that such division implies. In the case of the manufacturers, overall margins on total sales in a good year are relatively better. But, in most cases, there is a more uniform progress at the operating end of the industry. Further, the operators enjoy low marginal costs. That, of course, means that they can score very sharp earnings gains on relatively small increases in sales—and the other way around, if volume were to decline. This is essentially due to the frequently minimal cost of the merchandise which is sold by these machines—something like a penny bar of chocolate which is sold for a dime, or a cup of coffee whose cost is extremely low, expressed as a percentage of the selling price.

This point is illustrated by a comparison of pre-tax profit margins of the operating companies in 1958 and in 1959. In 1958, these margins were 2.86% and please note that I am just referring to the operating companies. But in 1959, profit margins jumped to 4.33% on an increase in overall volume that year, as pre-tax net advanced much more sharply than sales. The breakdown of costs last year was: products sold by machines almost 58% of the price to the purchaser, and operating expenses almost 38%.

A note of warning on extrapolating is perhaps warranted here. These wide margins may not be available on the merchandising of more expensive items. When the money-changers are fully available and used on a large scale, that will, of course, expand the scope of the field, and then merchandising will embrace higher-priced items, where the percentage margins may not be quite so generous.

Technological Challenge

Now to return to the permanent features. Another one is technological evolution and technological development. At present, there exist some limitations on the type of items that can be vended by machines, mostly in terms of price, but also in terms of the type of merchandise itself. Short shelf life, for example, is a very serious limitation right now, but in the future—and we have some indications that it will not be too far off—considerably longer shelf life should be possible. This would go a long way toward individualized servings of hot beverages and foods. The devices for hot beverages are already available, although on a very limited scale. As to hot foods, the problem is still not quite overcome, since most electronic methods currently available are either too cumbersome or too expensive.

Ideally, the industry really requires a machine for serving hot foods which could be stored for a considerable period of time of anywhere from 7 to 30 days, prepacked, in a refrigerated, dehydrated, or some specialized state. One such method is being tested right now by Sir Edmund Hilary, who is again climbing Mount Everest in the Himalayas.

Allowing the necessary time, there is no reason to doubt that eventually such ideal equipment will be developed. It will probably be electronic and will be able to bring stored foods almost instantly to a steaming hot and tasty condition, and serve them very quickly, just by the push of a button.

Another technological development of extreme importance is to be found in the money-changers. The idea is quite old, by industry standards, because ABT Manufacturing, which has recently been acquired by Automatic Canteen, has had its single-dollar-bill acceptor in operation for about two years. Likewise, Universal Controls had one at the race tracks which would also accept single dollar bills. None of these machines, however, would give change; they would only accept bills of a single denomination.

The next step was taken when Universal Match began its work on the single-dollar and five-dollar-bill acceptors and money-changers that would also give change. They finalized their development work on it with the cooperation of Universal Controls so that the rights to the device are now being shared by both companies, with Universal Controls actually appearing to enjoy a slightly more favorable position than Universal Match.

Factors in Company Analyses

Now to make a few comments about the features characteristic of the formative period: Some companies are still only partly in vending, and they are still engaged in other businesses. Then, many have had—and some still have—their operating results distorted by the inclusion of dying old product lines and by tax losses from previous years. Also, several have two classes of the common, "A" and "B," with the "B" usually convertible gradually into the "A." Obviously, all per-share results should be based on a fully converted capitalization. Many companies still maintain large insider control, with the floating supply of the stock quite small. This is almost a rule rather than an exception. Some companies have arrangements to pay special bonuses to management, based upon earnings. In Glasco, for example, and La Crosse, this provision seems to be quite substantial. Moreover, most smaller manufacturing companies are in a single type of product — Glasco, for example, is in pre-mix vendors.

Investment Yardsticks

To finalize these remarks, some yardsticks for evaluation of vending stocks might be useful to analysts and investors alike. The basic consideration, of course, is that the over-all trend, based on industry fundamentals and its role in introducing automation to merchandising, is up. The rate of that growth and its uniformity are generally good. Although the figures vary widely from company to company, average growth (for as long as five years) of 10 to 12% in volume, and up to 30% in net, is not uncommon.

Acceleration of these trends can be expected from technological breakthroughs in equipment and expansion of the operators into in-plant feeding, which appear to be the two most important areas of growth. In my opinion, this warrants a very active interest in vending stocks. However, current typical price/earnings ratios of about 30 to 35 are, of course, very high (even by electronic standards).

Individual company appraisals may be based on the following considerations:

Whether the company is a manufacturer or an operator.

What is its product or service mix.

Its market penetration — how many customers does it have, especially in the case of a small manufacturer.

Past performance in the vending lines, with record adjusted for taxation and some other items, and perhaps allowing for management bonuses in a few instances.

Extent of management control. Some, of course, is good, but complete domination may not always operate to the interests of outside stockholders. The exact level of desirable control is a matter of judgment and evaluation of the particular management involved. Then, of course, quality of management is a universal analytic factor.

For the machine producers there is always the matter of product development and acquisitions which now center in the highly important fields of hot foods and money-changers, like the ABT acquisition by Automatic Canteen or development of the money-changer by Universal Match and Universal Controls. For the operating companies, analogous growth areas lie in the expanding fields of institutional and industrial feeding.

Finally, there is the ability to negotiate acquisitions on favorable terms. Since a good part of the growth of the industry is by acquisition, this is quite an important attribute.

In conclusion, it must be remembered that this is a very new and changing field, so much so that even some of the technical language is still quite vague and frequently. management and analysts speak at cross purposes simply because they may be speaking of quite different things even when using the same terminology. A great deal of caution and checking directly with managements of as many companies in the field as possible—not just one—is often necessary for proper perspective of any one corporation.

COMPANIES IN THE VENDING INDUSTRY

	Estim. 1960	1959	1958	1957	1956	1955
MANUFACTURERS:						
GLASCO CORP. (OTC) 315,000 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	8.0	6.2	3.8	6.4	7.4	5.5
Earnings Per Share	1.50	1.15	0.56	1.08	1.39	0.92
Dividends Per Share	0.50	0.25	*	*	*	*
*Privately held.						
LACROSSE COOLER CO. (OTC) 352,256 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	5.0	4.1	3.2	1.9	1.8	1.4
Earnings Per Share	1.30	1.00	0.61	0.29	0.37	0.23
Dividends Per Share	0.50	0.27	*	*	*	*
*Privately held.						
SEEBURG CORP. (ASE) 1,260,000 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	26.0	22.6	22.9	26.6	*	*
Earnings Per Share—Reported	1.40	1.64	0.50	0.46	*	*
Earnings Per Share—Adjusted	0.70	0.76	0.23	0.23	*	*
Dividends Per Share	Nil	Nil	Nil	Nil	*	*
*Noncomparable.						
U. S. CHEMICAL MILLING CORP. (OTC) 964,674 shs. o/s FY to 1/31.						
*Sales (Millions of Dollars)	N.A.	10.0	5.7	5.6	3.6	1.9
*Earnings Per Share	N.A.	0.36	1.01	0.42	0.33	0.14
Dividends Per Share	Nil	Nil	Nil	Nil	Nil	Nil
*Year ended January 31 of following calendar year. N.A. Not available.						
U.S. HOFFMAN MACHINERY CORP. (NYSE) 2,363,382 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	N.A.	65.0	66.8	84.6	90.9	50.3
Earnings Per Share	N.A.	d1.19	d0.32	d0.46	0.41	1.26
Dividends Per Share	*Stk.	Nil	Stk.	0.60	1.08	0.51
*10% in shs. of Anton-Imco Elec. Corp. d—Deficit.						
UNIVERSAL CONTROLS, INC. (ASE) 9,768,320 shs. o/s FY to 3/31.						
Sales (Millions of Dollars)	38.0	29.0	*23.0	*20.0	*14.7	*9.7
Earnings Per Share	0.43	0.42	*0.32	*0.28	*0.18	*0.04
Dividends Per Share	0.22½	*0.19	*0.17	*0.08	*†0.03	*0.05
*Calendar Years. †Plus stock.						
UNIVERSAL MATCH CORP. (NYSE) 4,223,843 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	85.0	72.3	43.9	34.9	31.1	29.3
Earnings Per Share	1.50	1.19	0.60	0.48	0.45	0.42
Dividends Per Share	0.50	0.33½	0.28	0.26½	0.41½	0.18
VENDO CO. (NYSE) *2,583,326 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	55.0	45.0	29.4	37.1	42.1	20.8
Earnings Per Share	1.50	0.97	0.41	0.45	0.71	0.47
Dividends Per Share	0.40	0.30	0.30	0.30	†0.29	0.12
*After 2-for-1 split in Aug., 1960. †Plus stock.						
VICTOR PRODUCTS (OTC) 725,745 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	6.0	5.2	3.8	4.5	5.4	6.1
Earnings Per Share	0.60	0.31	d0.12	d0.01	d0.41	d0.28
Dividends Per Share	0.20	0.10	Nil	Nil	Nil	Nil
d—Deficit.						
OPERATORS:						
ABC VENDING CORP. (NYSE) 1,148,013 shs. o/s FY to 12/31.						
Sales (Millions of Dollars)	68.0-88.0	66.0	64.6	56.0	54.0	50.2
Earnings Per Share	2.50	2.05	1.67	1.27	1.62	1.63
Dividends Per Share	*1.00	1.00	1.00	0.80	0.80	0.80
*Plus 2% Stock.						
AUTOMATIC RETAILERS OF AM. INC. (OTC) 912,000 shs. o/s FY to 9/30.						
Sales (Millions of Dollars)	27.5	24.8	*20.2	*19.9	*16.8	N.A.
Earnings Per Share	1.25	0.86	*0.63	*0.48	*0.40	N.A.
Dividends Per Share	Nil	Nil	†	†	†	N.A.
*Pro-forma. †Privately held.						
G. B. MACKE CORP. (ASE) 607,660 A & B shs. FY to 9/30.						
Sales (Millions of Dollars)	13.5	12.2	10.0	9.3	8.3	7.6
Earnings Per Share	0.60	0.40	0.30	0.26	0.22	0.16
Dividends Per Share	0.45	Nil	*	*	*	*
*Privately held						
PROPHET CO. (ASE) 509,106 shs. FY to 12/31.						
Sales (Millions of Dollars)	30.0	25.0	20.6	23.6	22.7	23.4
Earnings Per Share	2.05	1.74	0.79	1.12	1.35	1.69
Dividends Per Share	1.00	1.00	0.60	1.00	0.85	0.55
MANUFACTURERS-OPERATORS:						
AUTOMATIC CANTEEN CO. OF AM. (NYSE) 5,046,251 shs. FY to 9/30.						
Sales (Millions of Dollars)	150.0	139.5	128.3	112.8	104.2	99.7
Earnings Per Share	1.00	0.91	0.72	0.65	0.55	0.46
Dividends Per Share	0.60	0.42	0.35	0.31	0.25	0.21
CONTINENTAL INDUSTRIES, INC. (ASE) 1,534,074 shs.* FY to 9/30.						
Sales (Millions of Dollars)	27.5	25.5	23.9	20.9	1.7	0.5
Earnings Per Share (a)	N.A.	0.50	0.67	0.36	d0.04	0.01
Earnings Per Share (b)	N.A.	d0.02	0.36	0.32	N.A.	N.A.
Dividends Per Share	Nil	Nil	Nil	0.20	0.10	Nil

*Fully converted—3,554,044 shs.; (a) Including capital gains; (b) Excluding capital gains. d—Deficit.

Broader Economic Facets Of Fast Depreciation

By Eric W. Kierans, President, Montreal Stock Exchange and Canadian Stock Exchange*

Severely questioned is the theory of accelerated depreciation and the wisdom, if used, of imitating other countries' depreciation policies. Mr. Kierans refers to his country's surplus labor and foreign ownership problems to illustrate why Canada must tailor a tax policy to suit its own economic conditions. As for the philosophy of accelerated depreciation itself, attention is directed to: the difference between technological and economic efficiency (cost); the threat to capitalism posed by non-recourse to external capital financing; and the distortions in the use of labor and capital when tax concessions are more influential than productivity considerations and when guidance offered by the test of an impersonal capital market is not used. Mr. Kierans also probes the consequences on profits, shareholders, business cycle, fiscal policy, wages and prices, and avers there are better alternative methods to achieve the same objective sought by accelerated depreciation.

Depreciation is one of those controversial topics which we can all discuss interminably and yet never come to a meeting of the minds on the issues themselves. One is reminded of Janus, a god of ancient Rome, who was usually represented with two heads, looking in opposite directions. Some of us view depreciation as an historical problem in which the actual money costs incurred alone can be charged against income while others look to the future, not the past, and argue that the costs of replacement are the burden to be borne by current income. Still others will abstract from the problem itself and consider the question in terms of its policy implications alone. There will, therefore, be different depreciation policies for different phases of the business cycle. Again our Roman analogy is apt for just as the temple of Janus in Rome was kept open in time of war and shut in time of peace, so too may we wish to recommend the acceleration of depreciation charges in time of inflation and their reduction in time of deflation. We must be careful not to oversimplify the discussion by insisting on a too narrow interpretation of the problem.

Eric W. Kierans

A number of Canadian businessmen have recently raised the issue in speeches before the Canadian Manufacturers Association and numerous other groups. Frequent reference is made to the manner in which other nations have dealt with depreciation and the measures which they have drafted. This leads me to a number of qualifying remarks.

Problem of Labor Surpluses

(1) Canadian policy on depreciation must be solely determined by an analysis of economic conditions in this country, not by slavish imitation and adoption of the solutions of other nations. For example, we may be agreed that the capital cost allowance provisions permitted by the British Government as deductions against income are more generous than those granted under our tax laws. They have, for example, an intricate system of investment allowances, initial allowances and annual depreciation allowances. However, the economic situation in the two countries varies radically.

In England, labor is the factor in relatively short supply; in Canada, we have a chronic, structural unemployment problem. In England, where, for years, businessmen failed to reinvest in plant and equipment on the same scale as Canadians and Americans, productivity declined and industrial efficiency failed to keep pace with the rest of the world. With full employment in Great Britain, increased output could only come from modernization of plant and increased capital investment. It has been said "that Britain knew how to build great industries but never learned how to rebuild them. At their inception, they were the last word in modernity and efficiency, a model to the world. But they became decrepit with age. What happened was a failure of re-equipment policy." This statement was made some 10 years ago and we know how Britons reacted to the industrial crisis of the late forties and early fifties.

The point which I wish to make is that domestic prosperity in Great Britain was threatened by industrial obsolescence and, therefore, they took measures which admittedly favored the employment of capital as a factor of production over labor.

In Canada, our internal growth is threatened, not by a shortage of capital investment, but by a surplus of labor. The unemployment problem hangs like a dead weight over our efforts to speed economic development with its burden of overhead costs, charge on government expenditures and clear testimony to the world that we seem powerless to react to this overriding challenge. This is not to say that we should not encourage a high rate of capital investment but we do say that, in a country in which labor is plentiful, we should not discourage the use of labor by granting special tax concessions and privileges which could have the effect of replacing labor by capital. Where the productivity of capital facilities is greater than that of labor, then we must obviously make the economic choice and employ additional capital even when this has to be imported. But when the relative productivities are equal, it would only be common sense in Canada to use labor which is in excess supply and to save on capital of which this country is very short. Just as the problems of our growth are different from those of other nations—so too must be our solutions.

When Foreign Ownership Is Extensive

(2) In addition to the considerations which dictate that our economic policy should be directed to achieving a fuller state of employment, we have the serious institutional factor of foreign ownership of more than 62% of our manufacturing, mining and smelting, oil and gas industries. These figures are at least 2 years old and most of us would agree that the situation is probably even more serious today. Since foreign investment has concentrated in the manufacturing and mining industries, i. e. the capital-intensive sector rather than the service industries, or labor-employing sector, it is obvious that the immediate beneficiary of tax concessions on a capital cost allowance basis would be the foreign ownership which now causes us so much concern.

The first result would be to accelerate the trend towards foreign control by making incredibly easier the task of financing their growth and expansion from internal sources. By generating these funds out of enhanced depreciation allowances, as well as retained earnings, growth is, in effect, financed by interest free loans from the government and profits. The possibility of ever inducing foreign corporations to permit Canadians to invest, on an equity basis, in their operations in this country becomes more and more remote. In a very real sense, a policy of accelerated depreciation allowances could work against Prime Minister Diefenbaker's declared determination to see "that foreign investment in Canada . . . must regard Canadian industry, Canadian interests and Canada's economic destiny . . . we have the right to ask that full account be taken of the interests of Canadians in the policies which are followed in the direction and use of that capital . . . we ask, in general, that companies investing in Canada — United States companies — should not regard Canada as an extension of the United States market; that these companies should be incorporated as Canadian companies, making available equity stock to Canadians."

An American subsidiary, declaring nominal dividends and taking full advantage of accelerated depreciation, has an incomparable advantage over a Canadian competitor forced to distribute minimum dividends. The increase in assets from internal savings alone will compound the differing rates of growth of the two firms and accentuate the present trends toward greater foreign control of Canadian industry. The sheer weight of such asset growth will inhibit any further entry and doom to failure attempts to reverse the trend to outside domination. Clearly, tax policies, which favor existing firms and present patterns of ownership distribution, will serve to emphasize the present threats to our national independence.

Recently, I wrote to some 50 American corporations suggesting that they make equity participation available to Canadians. Not a single affirmative response was received, although some firms implied that further thought would be given to the suggestion at some future date. The principal reason for the refusals seemed to be that these firms had no need for further funds from external sources —they were all generating sufficient funds from retained earnings and capital cost allowances to finance their expansion needs. This leads one to pause and to muse on the future of a capitalistic system that has no further need for more capitalists.

We have come rather far afield from our topic but again Canadians will want to examine the broader impact of accelerated depreciation policies on the control of our industries before they agree too readily to such policies simply because they have worked in other countries, at other times and at different stages of industrial development.

Capitalism Held Threatened by Self-Financing

(3) One final background remark is inspired by a recent letter which I received from an Australian brokerage firm. Discussing the Broken Hill Proprietary Co., Ltd., they wrote: "Today's release of the consolidated accounts of B. H. P. Co. Ltd. has led to a certain degree of market speculation as to the immediate prospects for a capital issue, in view of the strong liquid position and the company's *apparent ability to develop and expand without the assistance of shareholders.* Latest reserves, provisions and profits retained will provide interest free finance amounting to £27 millions for the coming year, while last year £16 millions only were spent in extending plant, machinery and freeholds and a total of £17 millions were invested in Commonwealth Government Bonds and Treasury Bills."

Each of us can think of similar Canadian and American examples, in which corporations have for years financed themselves entirely from their own resources, independently of the investing public. One economist recently described this as a very good thing and urged the liberalization of ploughback provisions on the grounds that this would contribute to "the euthanasia of the rentier." In other words, by eliminating the need for the firm's recourse to the capital markets by the sale of bond or equity issues, one avoids the necessity for paying dividends or interest to owners or bondholders and thus reduces the possibility of earning income by saving and investment. But this, I thought, is what the capitalist system is all about. I merely pose this question: How far do we want to go in relieving firms of the requirements of meeting, from time to time, in their quest for funds—the capital market test?

The major changes in our system of computing depreciation charges were introduced in the revision of corporation income tax legislation introduced in 1949. Among other features, the new regulations established a diminishing balance system of depreciation which involves substantially higher rates than used under the straight line system. During the transition period, many firms experienced the same results that proponents of accelerated depreciation are now seeking. An example of the effect on a firm's annual report was given, at that time, by W. R. Aird, President of Dominion Dairies Ltd.

The annual report for March 31, 1949, showed net profit of $154,096, after providing for depreciation of $342,500 and income taxes of $72,186.

After the new regulations came into force, the company issued a revised financial statement in which the following changes were noted:

	Mar. 31, '59	Revised
Depreciation ----	342,560	559,219
Income taxes----	72,186	10,114
Net profit----------	154,096	15,968

The depreciation provision increased by more than $200,000; profits were reduced to 10% of their former level and tax liabilities to 14% approximately. There are many implications to be drawn from this which shall be dealt with shortly.

Fast amortization had a champion in Franklin D. Roosevelt, who, shortly before his death, said: "Business, large and small, must be encouraged by the government to expand its plants, to replace its obsolete and worn out equipment with new equipment and . . . the rate of depreciation on these new plants and facilities for tax purposes should be accelerated."

H. G. Hilton, in his address to the shareholders of the Steel Company of Canada Limited in April, 1950, noted that depreciation does not allow for higher replacement costs. He gave as an example the figures pertaining to Stelco. Cost of its entire manufacturing *plant* was $111,000,000 at the close of 1949, and this is the total amount which may be recovered through depreciation charges. Yet to replace such plant at present costs would require $238,000,000. Unless a solution can be found, he said, the constant replacement of equipment with new and improved machines "which has contributed so much to North American progress and prosperity," may be slowed down to the disadvantage of all.

These two illustrations, the Dominion Dairies revised report and the Stelco estimate of replacement costs, will serve to focus the later analysis. However, we have yet to determine the magnitude of

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1961 Steel Sales Outlook

By Howard V. Clark,* *Executive Vice-Pres., Detroit Steel Corp.*

Steel official's industry-by-industry analysis of steel consumption in the year ahead leads him to anticipate 1961 will achieve a 70 to 74 per cent utilization of ingot steel capacity—or 105 to 110 million ingot tons. This would put the industry's output at slightly less than 1957's which was the third highest year.

Many millions of tons of iron ore, coal, limestone, scrap and other materials have been converted into steel in the mills in this country and shipped out for use in many consuming industries since I last spoke to the National Industrial Conference Board's Marketing Session on September 21, 1956. However, this is not the only thing which has happened in the steel industry. A complete reappraisal of methods of mining ore, transporting ore, beneficiating ore, washing coal and improvement generally in raw materials has been made.

Howard V. Clark

Also, in the making of steel, the development of the use of oxygen in the open hearths with basic brick roofs and the comparatively new L.D. (Linz-Donawitz) process has stepped up the efficiency of this part of our operation. Also, methods of heating steel and rolling steel have been subject of much research. The expenditures for research in the steel industry at the present time are probably far larger than they have ever been. Another very vital change has been the awareness of the threat of other materials and imported steel to some of our markets. No effort will be spared to meet this competition through the development of new and better products.

This research is being backed up with large investments to modernize existing facilities to promote efficiency and product improvement and cost reduction. Such expenditures for new equipment and construction are scheduled to total $1,600,000,000 for 1960, which is $639,000,000 larger than estimated expenditures during 1959 and only slightly exceeded by the record expenditures during 1957. These expenditures demonstrate the belief of the steel industry in the growth and underlying soundness of our economy.

In discussing the "Steel Outlook for 1961" I feel that the simplest way to do this is to take a look as what the major consuming steel industries think 1961 will bring for them.

In order to get a perspective in 1961 I have talked to executives, purchasing men, manufacturing men, market forecasting men and selling men in most of the major steel consuming industries.

My basic question was "Will 1961 be better, as good, or worse than 1960 for your industry?" Naturally, differences of opinion were found to exist. A few of these I shall point out as we proceed.

Let me add, however, that most market forecasting men associated with large corporations do not like to go beyond six months, and feel that if they are correct within plus or minus 4% a very creditable job was done.

Now let us look briefly at the Automotive Industry for 1961.

Automotive

The year of 1960 was the first in which so many compact cars were made in the United States. At the present time about 28% of all cars sold have been the smaller or compact cars. In 1961 a number of other automotive producers are introducing smaller cars while some who did so in 1960 will add new and improved ones in 1961. Estimates of sale of 1961 compact, or smaller cars, run all the way from 35% to over 50% of the market. The consensus seems to be in the range of 35% to 40% maximum.

As to the sales and production of domestic cars in 1961 opinions also vary. Of the viewpoints of the major automotive producers, the least optimistic estimate I found was a 10% decrease in sales next year. This was based upon the fact the automobile industry has had two strong consecutive years; that present inventories of new 1960 models is at an all-time high for this time of year; that automotive credit has expanded substantially in 1959 and 1960; and finally, that an estimated two-thirds of new contracts bear maturities of 30 months or longer.

Another viewpoint I encountered was that with good hard selling 1961 should be as good as 1960. Still another opinion was that 1961 will exceed 1960. Very recently the top executive of one of the great auto companies stated that 1961 *could* go as high as 7,000,000 cars — including 500,000 imports.

Production and sales of domestic trucks, including those we export, are expected to be within the range of 1,100,000 to 1,200,000, which represents little change from 1960.

What does all this mean to the steel industry? Certainly compact cars do not use as much steel as the standard size cars we have been using. However, it has been estimated that the *average* steel per car for the first six months of 1960 dropped only from 1.95 tons to 1.86 tons. Naturally, the most compacts the more this drop will be. On the other hand, the American steel industry in 1961 will not be deprived of the large tonnages of steel imported for automobiles because of the steel strike as in 1959.

If we produce 5,800,000 to 5,900,000 cars and the same number of trucks in 1961, the steel industry will have good business from the automobile industry.

Construction

The construction industry within the past war period has increased the consumption of steel so used from 13,000,000 tons to almost 19,000,000 tons, including shipments from jobbers to construction projects of all kinds.

The main classifications of construction which we will discuss briefly are:

(1) *Residential.* During the first six months of 1960 new private residential construction has lagged about 10% behind the record year of 1959. Whether this was caused entirely by over-building or a severe credit shortage during the first quarter of 1960, or both, cannot be fully determined. However, the consensus is that private residential construction will be greater in 1961, beginning in the Spring and continuing throughout the year, to perhaps new records in 1962.

(2) *Private plant and equipment.* Spending for this purpose will reach a total of about $36,400,000,000 in 1960 but is expected to drop slightly in 1961. Just how far this will drop is a matter of conjecture. Some sources feel that this drop in private plant spending will be more than offset by additional commercial spending, such as hotels, motels and public expenditures for construction.

(3) *Government construction.* During the first six months of 1960 government construction expenditures were about 11% below the 1959 level. However, these are expected to increase during the last half of 1960 and will end up 4% to 5% under 1959.

In 1961 highway expenditures will be increased as well as institutional and public works.

Therefore, 1961 should use about the same amount of steel for construction as 1960.

Containers

Under this caption are included metal cans, closures and drums. By far, from a steel viewpoint, metal cans is the most important.

All of the classifications of containers represent a very competitive situation with aluminum, glass, plastics and paper seeking constantly to increase their participation in this market.

In the metal can field, tin plate is by far the most important steel product used. In 1959 almost 5,000,000 tons of tin plate were used. In 1960, due to inventory accumulation in 1959, it is expected that tin plate usage will be at 4,900,000 tons. In 1961, at the present time the outlook for industry can-shipments is expected to be 3½% to 4% over 1960, or about 5,100,000 net tons — the largest in history. The greater part of this increase will be accounted for by fruits and vegetables, beer and soft drinks. Incidentally, soft drinks in cans is a comparatively new market. Tin plate for such usage in 1960 will be about 50% over 1959, and from the number of large bottlers now joining the parade in using tin cans, it is indicated this usage will continue to increase.

The steel mills in order to not only hold their market against competing materials, but also to increase it, have developed a thinner tin plate at a lower selling price. Cans made from this thinner plate will weigh only about half the present weight of cans.

Closures. By closures is meant bottle tops of all kinds. While aluminum and plastics have always shared in this market within recent years, crowns largely for bottles and home-canning closures have, and are expected to remain primarily steel.

Drums. Under this classification we include barrels and pails. While aluminum and fibre drums have made some inroads in this part of the market, shipment of steel for these usages is expected to be about 775,000 to 800,000 tons, or slightly above 1960. Steel shipments, therefore, in 1961 should be slightly above those in 1960.

Machinery

Non-electrical machinery. Steel shipment for non-electrical machinery during the past 10 years have ranged from a low of 3,200,000 tons in 1958 to a high of 5,000,000 tons in 1956. In view of the high level of corporate profits and business expenditures for new equipment, steel shipments to this industry should approximate 5,000,000 tons in 1960. Production is expected to continue at a high level during 1961. However, the easing of new orders, expenditures for equipment and profits may result in a slight decline in steel shipments during 1961 of 5% to 10% from the 1960 level.

Electrical machinery. In the case of heavy electrical equipment, one of the leading producers estimates industry shipments will decline approximately 4% during 1961 from the 1960 level. In terms of steel this should represent shipments of approximately 2,000,000 tons.

Durable Goods

Consumer and commercial durable goods include a wide range of products used primarily in the home, office and store, as well as sporting goods, tags and signs.

From a steel viewpoint, the most important of these are major appliances. Again, differences of opinion as to what 1961 will be for this industry are apparent.

One large producer of electrical appliances estimates that 1960 will be 7% less than 1959 and that 1961 will be 1% under 1960.

Another very large company states that "if sales in 1961 are 5% over 1960, production would remain at the 1960 level." This statement indicates clearly the excessive inventories of finished goods and, in some cases, of raw material inventory.

A third large manufacturer states that their crystal ball promises activity in 1961 to be about 5% above 1960. Also, that 1960 should complete the general inventory "shake-out" phase. According to this source, market forecasters are unduly conservative after their experience during the first six months of 1960 even though they see very good signs of better conditions.

Another very large producer of appliances expects 1961 sales to exceed 1960 by 3% to 5%.

Home furniture. Springs made of steel for upholstered furniture and mattresses have been in a situation of excessive inventory. Furniture sales will have to pick up before this condition can be corrected. Much depends upon new housing starts in late 1960 and 1961 to alleviate this condition.

Office furniture, according to one major producer, is enjoying good business and expects it to continue.

Rail Transportation

Freight cars. Estimated production for 1960 will range between 50,000 to 60,000 cars. Production during 1960 has been at a relatively good rate due to a large unfilled backlog of 48,400 in January of this year. However, new incoming orders have been very low and this backlog will be substantially reduced by the end of the year. It looks now as if production for 1961 will be between 30,000 to 40,000 freight cars. Some car builders are hopeful that orders for freight cars will pick up in the last quarter of 1960.

One man, whose judgment I respect, states that the railroads during 1961 will have to make up for the cars, rail, and other replacement items they did not buy in 1960.

Rails. Shipments of rails and accessories for 1961 are expected to approximate 800,000 tons.

Passenger cars and locomotives. The production of passenger cars and locomotives has been negligible in 1960 and is not expected to increase in 1961.

Oil and Gas Industry

During 1960 approximately 45,000 to 48,000 domestic well completions will be made. This represents a depressed year in so far as drilling is concerned. The basic reason given is the abundance of crude and other products.

In 1961 a modest increase in domestic well completions may occur but it is not expected to exceed 50,000 completions. However, some increase in steel buying is expected since inventories are as low as they can get with any degree of comfort.

Pipe line construction. Pipe line construction is also expected to be about the same for 1961 as 1960, or about 3,000,000 tons.

Steel Service Centers or Distributors

Steel Service Centers is what used to be known as Steel Warehouses. These outlets generally take about 19% of finished steel products rolled by the mills. At the present time most of them have heavy inventories and while business has picked up slightly in the past two months, it is expected that it will be spring of 1961 before they resume buying at their normal pace. As inventories are decreased generally by industry, these Steel Service Centers will be called upon for quick shipments to make up shortages and to keep production going.

Farm Equipment

During the past five years, shipments of steel to the agricultural market have averaged between 1.1 million tons to 1.3 million tons. In 1960 they are estimated to be close to 1.1 million—down from 1,265,000 tons in 1959. Lower farm prices are a prime factor in this drop.

During 1960 a considerable amount of farm equipment inventory has built up in dealers' inventories throughout the country. Due to the lateness in the season there is little opportunity to work these inventories down to a normal level. As a result, while it is expected that retail sales will be as good or better in 1961, there will be a reduction of 8% to 10% in the manufacture of farm tractors and farm implements during 1961.

Steel Imports and Exports

One of the gravest situations facing the business community of this country is that of imported products versus exported products. This does not apply to steel alone, but to many American industries. We shall confine ourselves to steel.

In 1959 we imported 4.4 million tons of steel mill products and exported only 1.5 million tons.

In 1960 imported steel products will approximate 3½ to 4 million tons while our exports will be 3 to 3¼ million tons. In May, 1960, exports exceeded imports for the first time in many months. It is expected that exports will exceed imports monthly during the balance of 1960. However, there is some difference of opinion as to whether this usually favorable export-import balance will continue to prevail in future years. Price is the great factor in this situation.

While there is no doubt that the long steel strike of 1959 resulted in large imports during the latter part of that year and during the first quarter of 1960, this problem was still with us.

In 1961 exports are estimated at 3¼ million tons or slightly less. Imports are expected to decline to 2½ million tons.

Conclusion

It appears now that steel ingot production for 1960 will be about 105 to 110 million net tons.

The inventory liquidation of steel will probably be fully completed by the end of 1960. However, there appears to be no indication of inventory accumulation in 1961.

In view of the fact that some major consuming industries indicate plus usage while others show minus signs, it is my opinion that ingot production in 1961 will be at about 105 million to 110 million ingot tons or an average of about 70 to 74% of an annual capacity of 148,600,000 ingot tons. This level of ingot production is only slightly less than the output in 1957, which was the third highest year in history.

*An address by Mr. Clark before the 8th Annual Marketing Conference of the National Industrial Conference Board, New York City, Sept. 16, 1960.

With Neuberger & Berman

The New York Stock Exchange member firm of Neuberger & Berman, 120 Broadway, New York City, members of the New York Stock Exchange, has announced that Harry Delf, Jr. is now associated with their firm.

Fierce World Competition And American Labor

By Hon. Nelson Rockefeller, Governor, State of New York*

Gov. Rockefeller makes a blunt comparison of our export prices and rate of growth with the rest of the world and the extent of "really tough competition" said to be facing us. Stating it's not just management's, labor's or government's problem, he terms it is a serious national problem and outlines what should be done to cope with the fierce international competition facing us including Khrushchev's economic challenge.

In this first year of the New Decade of the 60's—a decade likely to be the most revolutionary in our history—let us pause to counsel together on the patterns of the future. Let us examine, realistically, the patterns of the recent past—the shibboleths, if you will—and let us consider most carefully where future gains really lie, where lie the best interests of labor, and of all America, in the immediate years ahead.

Nelson A. Rockefeller

To be realistic about it, we've got to keep in mind one key word. The word is, Competition. And I mean really tough competition. In the past, we've worried primarily about competition within our own country. But today, all over Europe, brand new factories are springing up, equipped with the latest automated machinery, and manned by workers whose wage base is one-fifth to one-quarter of ours. The same sort of thing is happening in Japan. And here in America, this competition is beginning to hurt.

While industrial plants abroad are becoming progressively more modern and efficient, ours are not keeping pace. In fact, contrary to popular belief, they are getting older. The average age of industrial equipment in use in this country in 1955 was eight and one-half years. In 1959, it was nine years. The shocking fact is that this nation's stock of plant and equipment upon which its production depends has been progressively growing older for half a century—by an average of more than 1% every three years.

The plain truth is that the competition is on its way to beating us at our own game—mass production. We've built a whole way of life, the world's highest standard of living, on constantly increasing productive efficiency. Let's not kid ourselves: That way of life and that standard of living are threatened because of more rapid rates of increased efficiency abroad.

Compares Changes in Export Prices and Growth Rates

Comparative export prices tell the story of how much tougher the competition is getting. U. S. export prices rose 22% from 1950 to 1959. Continental European export prices rose only half as much—11%—in the same period. Japanese export prices rose only 2% in those nine years. I don't think I have to belabor the point, but if anyone here has any doubts about how serious this foreign competition situation is getting to be, let him talk to Dave Dubinsky or Jack Potofsky.

We've got a problem on our hands and it's not just management's problem, or labor's problem or government's problem—it's a national problem, and a very serious one, at that. These three elements of our society have a tremendous responsibility for the welfare of our people as a whole. And it's high time for all three to get together to do something about solving this great problem of increasing our competitive strength in the world.

The economic growth rate of the United States has averaged about 3.4% a year from 1950 to 1960. And in the meantime, the economic growth rates of the Soviet Union, West Germany, Japan, Italy, France, the Netherlands, Mexico and Canada have all gone substantially higher than that of this country. The reason for this is that other countries are pouring a higher percentage of their Gross National Products into new plant and equipment than we are, and are otherwise stepping up their productive efficiency.

What's the answer for America? The answer is to compete—not retreat. Tariffs, import quotas and the like have their uses, but they are only palliatives — a retreat behind the walls of a beleagured economic stockade. The real, long-range interest of American labor, of American industry, of all America, lies in stepped-up productive efficiency, plant modernization, more rapid economic growth.

We have got to halt the trend toward hardening of the arteries, in relation to its overseas competition, that is slowly afflicting the American economy. This means providing adequate incentives to stimulate a higher rate of plant and equipment investment, particularly through more realistic depreciation allowances for industry, so we can make our production more efficient and therefore more competitive, which in turn will result in more employment. This also demands statesmanship by both labor and management in working together to eliminate such items of manpower waste as featherbedding, jurisdictional work stoppages and racial discrimination.

Warns Labor on Unproductive Gains

I applaud labor's hard - won gains. I have been proud to contribute to them here in New York. I will fight shoulder to shoulder with labor against any selfish attempts to slow them down or take them away. But I say to you in all candor that higher wages and shorter hours cannot come indefinitely out of a relatively declining industrial economy. They can only come out of a more rapidly-growing and increasingly efficient productivity.

In the face of the ever-more-difficult competitive situation which America confronts, the community of interest between labor, industry, and government, the mutual benefit to be gained by more efficient production, was never more apparent. Let us work together, then, toward the goal of a faster-growing, increasingly efficient, more strongly competitive American economy. And to do this, let us recognize that the shibboleths of the past will not serve the fast-changing present or the revolutionary future.

Let us realize that in the fierce competition that is coming to us from a world in fantastically rapid transition, it is not enough for labor to serve its interests alone or industry to serve its interests alone, but for both to work for the interests of all America with the guidance and assistance of intelligent and progressive government.

For the best interests of any American or any group of Americans lie within the framework of an American economy that can meet any competition — and provide at the same time for full realization of those deep human values that all we Americans hold dear. It is this economy which not only will bring new gains to the working men and women of America, and to all Americans, but will give America the strength to lead the free world to victory in that fateful competition to which Nikita Khrushchev has challenged us.

*From a talk by Gov. Rockefeller before the 3rd Annual Convention of New York AFL-CIO

Shurtleff With North American

It has been announced by North American Planning Corporation, 200 East 42nd Street, New York City, that Lynn Shurtleff has been elected to the Board of Directors and appointed to the post of Executive Vice-President.

Lynn Shurtleff

Mr. Shurtleff, is widely known in mutual fund circles as a specialist on the mutual fund management-distributing companies. Following his graduation in 1933 from the Massachusetts Institute of Technology, Mr. Shurtleff spent 27 years in Wall Street in a research capacity with a number of leading investment counselors, banks and New York Stock Exchange firms. From 1954 to 1960 he was partner-in-charge of the large Investment Research Department of Hayden, Stone & Co., 62 year old stock exchange firm. For a number of years Mr. Shurtleff specialized in the mutual fund sponsor companies which manage and distribute the some 200 mutual funds in this country.

Mr. Shurtleff goes to his new post from Laird, Bissell and Meeds where he was Manager of the firm's Division of Fund Management Distributing Companies.

Brown, Bechard Office

CHARLESTON, S. C. — Brown, Bechard & Company, Ltd. has opened a branch office at 805 Wappoo Drive, Riverland Terrace, under the direction of George E. Tait.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Chalk up a point for the Administration and, incidentally, for Vice-President Nixon in his campaign for the Presidency. The Russians are leaving the Congo. In spite of all the criticism about the Administration's foreign policy permitting the spread of Communism, in Cuba, Indo-China and all the other places that Kennedy recites in nearly every one of his speeches, the Congo is one place where the Communists were headed back home by the United States policy of supporting the United Nations.

Also, Nixon goes one up on the current hog situation. The production of hogs has just been announced as 3% under last year. If this does not result in higher hog prices it will at least stabilize the market at present prices. This is good news in the 12 or 14 corn hog states of the farm belt. It may result in Nixon carrying those states. To say the least, if there were a drop in hog prices Nixon could have kissed those states good-bye.

A lot of the credit should go to Secretary of Agriculture Benson whom Nixon is trying hard to disassociate himself from. Last fall Benson warned the farmers that if there was an overproduction of hogs this year it would result in disastrously low prices. The farmers apparently took him at his word and the result is lower production this year.

While these two points are in favor of Nixon there is no question that he has got to become more aggressive if he intends to get his show off the ground.

This writer has talked with correspondents who have travelled with both Nixon and Kennedy. While they both seem to be getting large crowds, those that turn out to see Kennedy are the more enthusiastic. In fact, they say the women in the crowd get almost hysterical. They turn their hearts over to this boyish appearing young man who wants to be President. They seem to want to mother, to do anything to help him fulfill his ambition.

Correspondents tell me of numerous instances of women screaming "I have always been a Republican, and a Protestant, but I am for that man."

His recent trip included the so-called Bible belt of Pennsylvania and his reception there was most hearty.

There is a feeling among the experts that Kennedy hasn't gotten through with his message that this country is losing prestige all over the world. But his personality is unquestionably going over. One break that he has is that Mrs. Kennedy cannot travel with him because she is expecting a baby. She is a beautiful young woman but as people contemplated her as the first lady of the land they might be disturbed at such a possibility. This for the reason that she is still in her twenties and looks every bit like a young girl.

Why doesn't Nixon open up with some of Kennedy's associates? His chief economic adviser is Prof. John K. Galbraith of Harvard. The Professor has just released a book and the sort of economic advice he is giving Kennedy is unmistakable. There is no need, he contends, for a family to have two automobiles or many of the other luxuries which Americans take for granted. He would eliminate the use of "unnecessary" gadgets through higher taxes which would force people to do without these luxuries and he would use the money on better roads, improved urban transportation, slum dwelling clearance and the like so that more people would enjoy the good life. He also recommends a national manufacturers' sales tax. In other words, Galbraith would redistribute the wealth, etc.

Kennedy's tie-up with the big labor leaders would also seem to be a good issue. He is in bed with them completely. He recently told a group of labor leaders that their goals were his goals.

Nixon has got to show some of his old time aggressiveness if he expects to win, and that's for sure.

Welsh Opens Branch

MATTOON, Ill.—M. W. Welsh & Co. Incorporated has opened a branch office at 1608 Broadway under the direction of Stanley Chapman.

Lloyd Securities in N.Y.C.

Lloyd Securities is now conducting its investment business from offices at 150 Broadway, New York City.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The First National City Bank of New York, Sept. 20 appointed Louis D. Cullings and Carleton M. Stewart, Jr., Vice-Presidents.

Mr. Cullings, formerly a resident Vice-President, will supervise the operations of branches in Japan and Hong Kong. Mr. Stewart, formerly an Assistant Vice-President, is in charge of Head Office supervision of the Philippine branches.

* * *

A branch office in London — its second in that city—was opened Sept. 19 by **Morgan Guaranty Trust Company of New York.** Henry C. Alexander, Chairman of the Board, attended the opening.

Reginald T. W. Cleave, a Vice-President, heads the new office.

* * *

The retirement of Henry Bauer as Treasurer of **J. Henry Schroeder Banking Corporation** and **Schroder Trust Company** was announced Sept. 20. Mr. Bauer joined the Schroder Banks in 1930, after being associated with **Guaranty Trust Company,** and in recent years had been in charge of the corporate trust and stock transfer departments of Schroder Trust Company.

* * *

The Board of Trustees of **The Dime Savings Bank of Brooklyn, N. Y.** voted today to add the title of Treasurer to that of Vice-President already held by Robert W. P. Morse, and the promotion of Andrew D. Wilson and Alfred J. Tria to Vice-Presidents from Assistant Vice-Presidents.

Robert C. Frese and William J. Schneck, former Assistant Mortgage Officers were made Assistant Vice-Presidents. Herbert C. Losee, Assistant Comptroller was appointed. Deputy Comptroller and Warren C. Marquardt, previously Assistant Auditor, was appointed Auditor.

In addition, five new officers were appointed. H. Wallace Taylor, Charles R. Stephenson, Francis Foster and Edwin L. Dewsbury were appointed Assistant Secretaries and Douglas B. Nevins, Assistant Comptroller.

* * *

The Lincoln Savings Bank of Brooklyn, N. Y. elected Clinton W. Blume a Trustee.

* * *

The Meadow Brook National Bank of Nassau County, West Hempstead, N. Y. elected James S. Reid a Vice-President on Sept. 13, who will also continue as Trust Officer.

* * *

Promotions of four officers of **The County Trust Company, White Plains, N. Y.,** were announced by John A. Kley, the bank's President. Those advanced were Richard J. Raigel from Assistant Vice-President to Vice-President and B. Fred Langworthy, George L. Kastin and Stephen C. Byelick, all from Assistant Treasurer to Assistant Vice-President.

* * *

Two officers have been advanced at the **Marine Midland Trust Company of Central New York, Syracuse, N. Y.,** according to an announcement by John A. Sheedy, President. Elected to the newly created office of Comptroller is Carlton F. Ruland, Vice-President and elected to the position of Auditor Fay K. Brown.

Mr. Ruland, now Vice-President and Comptroller, started with the bank in 1951 after 25 years with the **Bank of Manhattan, New York.**

Mr. Brown, promoted from Assistant Auditor to Auditor, joined Marine Midland in 1952.

The application of the **Marine Midland Trust Company of Central New York, Syracuse, N. Y.,** for permission to merge with **Auburn Trust Company, Auburn, N. Y.,** under charter and title of **Marine Midland Trust Company of Central New York,** was approved by the Board of Governors of the Federal Reserve System on Sept. 9.

* * *

The application to consolidate **The Manufacturers National Bank of Lewiston, Lewiston, Maine,** and **First National Bank of Lewiston and Auburn, Lewiston, Maine,** under the title of **First Manufacturers National Bank of Lewiston and Auburn,** has been approved by the Office of Comptroller of the Currency. It will be effective Oct. 7.

* * *

Under the title of Depositors Trust Company, the **First National Bank of Belfast, Belfast, Maine,** with common stock of $150,000, was merged with and into **Depositors Trust Company, Augusta, Maine,** effective as of Aug. 31.

* * *

Mr. Frederic C. Adams Vice-Chairman of the Board of Directors of the **Vermont National and Savings Bank, Brattleboro, Vt.,** died on Sept. 16.

* * *

William H. Keith, Executive Vice-President of the **National State Bank of Newark, N. J.,** will this month celebrate his 20th anniversary with the bank.

Joining the bank as a credit man in September, 1940, Keith worked his way up through the ranks of Assistant Cashier, Assistant Vice-President, Vice-President, to his current office, Executive Vice-President.

* * *

The Hudson Trust Company, Union City, N. J. elected James J. McMahon a director, it was announced by Otis W. Beaton, President.

* * *

The Industrial Trust Co., Philadelphia, Pa. will open its 9th office in the Philadelphia area about the end of this year, announced Samuel Weinrott, President.

The new office will be located at Cottman and Large Sts.

* * *

Mellon National Bank and Trust Company, Pittsburgh, Pa., has named Charles H. Fletcher, Jr., as Assistant Vice-President in charge of its expanded management training program.

* * *

By the sale of new stock, **The Peoples National Bank of State College, State College, Pa.,** has increased its common capital stock from $200,000 to $300,000, effective Sept. 7. (Number of shares outstanding — 3,000, par value $100.)

* * *

The Board of Governors of the Federal Reserve System on Sept. 9 approved the application of **The Liberty Trust Company, Cumberland, Maryland,** for permission to merge with **The First State Bank of Grantsville, Grantsville, Maryland,** under charter and title of The Liberty Trust Company.

* * *

By a resolution of its shareholders, dated Aug. 29, **The First National Bank of Elmwood Place, Elmwood Place, Ohio,** with common stock of $150,000 has gone into voluntary liquidation, effective Sept. 2. The bank was absorbed by **The First National Bank of Cincinnati, Cincinnati, Ohio.**

* * *

Emerson A. Berry has been named Assistant Vice-President of Trust Operations, John S. Fangboner, President of **The National City Bank of Cleveland, Cleveland, Ohio,** announced.

* * *

The Old National Bank in Evansville, Evansville, Indiana, with common stock of $2,400,000 and the **Indiana Trust and Savings Bank of Evansville, Evansville, Indiana,** with common stock of $100,000 will consolidate under the title of the Old National Bank in Evansville, with capital stock of $3,000,000 divided into 300,000 shares of common stock of $10 each, effective Sept 2.

* * *

The merger of the **Kaspar American State Bank, Chicago, Illinois,** and the **Central National Bank in Chicago, Chicago, Illinois,** has been approved, but no date has been determined.

* * *

By the sale of new stock, the **National Bank of Austin, Chicago Illinois,** has increased its common capital stock from $750,000 to $900,000, effective Sept. 6. (Number of shares outstanding—18,000, par value $50.)

* * *

Harold P. Klein and Harry G. Wilson were elected Senior Vice-Presidents and John R. Fitzgibbon was elected a Vice-President of the **Iowa-Des Moines National Bank, Des Moines, Iowa.**

* * *

The First National Bank of Harlingen, Harlingen, Texas, by a stock dividend, has increased its common capital stock from $450,000 to $750,000, effective Sept. 6. (Number of shares outstanding, 37,500, par value $20.)

* * *

The Bank of California, N. A., San Francisco, Calif., has appointed Cecil G. Smith and Henry H. Sorensen Assistant Cashiers at the bank's Head Office, it was announced by Elliott McAllister, Chairman.

In N. Y. Office of Bank of Montreal

Niels Kjeldsen, Resident Representative of the Bank of Montreal in Chicago, will move to the bank's New York Agency as an Agent, succeeding John B. Lesslie, who will become Manager of an important branch of the bank in Montreal.

Niels Kjeldsen

Mr. Kjeldsen, who was born in Denmark, joined the Bank of Montreal at Winnipeg in 1928. He subsequently served at the bank's head office in Montreal, at a number of branches in Montreal, Ottawa and Winnipeg, and moved to Chicago as the bank's senior representative in 1957.

Jaffee Branch

MIAMI BEACH, Fla. — Jaffee & Co. has opened a branch office at 320 Arthur Godfrey Drive under the management of Richard E. Linburn, partner in the firm, and with John E. Greenia as Assistant Manager.

Godfrey, Hamilton Branch

BOSTON, Mass.—Godfrey, Hamilton, Magnus & Co. has opened a branch office at 14-16 Newbury Street under the management of Gordon G. Coogan.

Economic War Among Our States for New Industries

By Harry W. Wolkstein, C.P.A., Harry W. Wolkstein & Co., Newark, New Jersey*

Unfair tax-subsidy techniques employed by state and local governments to entice private firms within their boundaries are castigated by Mr. Wolkstein. Noting that this has now reached proportions of economic warfare between the states, the writer calls on the National Tax Association to challenge this expanding 25-year trend. Singled out particularly are the issuance of industrial development revenue bonds, and certain construction and rental practices of the New York Port Authority.

Over the past 20 years, property tax exemptions have been increasing steadily to the point where they are rapidly getting out of control. More and more state and municipal governments have been competing unfairly with one another for new industries by way of offering special subsidies or privileges in the form of full or partial tax exemptions or tax concessions, donations of land and buildings, leasing of plants at nominal rentals, and other subsidies.

Harry W. Wolkstein

Throughout the country, many of our municipal governments are granting tax-exemption privileges, either direct or indirect, to new industry in order to attract such new industry to their territory despite the fact that in many cases this preferential treatment violates their state constitutions and statutory laws which require that taxes shall be levied equitably in accordance with general laws and uniform rules.

Reached Proportions of Economic War

This policy of unfair competition among our state and local governments for new industry by subsidization plans of one kind or another, has reached the stage of a continuous economic war among our state governments and also among the municipalities of each state. It is obvious that this policy of subsidizing new industry is endangering the tax structures and the economic structures of our state and municipal governments, as well as our national economy and our system of private competitive enterprise.

We must recognize the fact that we cannot possibly attain uniform and equitable systems of state taxation without at the same time attaining reasonable uniformity in our state programs for tax exemptions and subsidization policies toward private industry.

We must recognize the fact that when a state or local government grants full or partial tax exemption to industrial property, it is carrying out class legislation that tends to destroy thrift and initiative and tends to narrow the property tax base constantly at an ever-increasing expense to existing business firms and property owners who must shoulder their existing tax burdens as well as those of the subsidized industries.

Over the past 20 years, we have witnessed a continuing increase in the number of "industrial development authorities or commissions" throughout the country, particularly in the South. Many of these industrial development authorities have expanded their functions to the point where they are able to borrow and expend public funds for the purpose of inducing new industries to settle in their particular territory by means of offering them full or partial tax exemptions for a period of years, or by means of constructing new plants and equipment for them through the issuance of so-called industrial development revenue bonds, or by offering them such new industry free moving expenses, nominal rentals, free water and free power, and other subsidies.

It should be emphasized that when a municipal government, through its industrial development foundation, provides a new industry with a plant at a nominal rental or extends a loan to it that a commercial bank will not consider, that local government becomes a partner in that business; and a future period of depression may well result in costly financial losses to that community rather than an industrial gain.

On the other side of the coin, we must advise industry to seek that locality in which the tax administration is equitable, uniform and efficient, rather than seek these questionable privileges of tax exemptions or tax concessions, which privileges are so unjust unto their competitors who must pay their full tax burdens. Private industry should seek that locality in which the municipal and county governments are financially sound and abide with the basic tax principles of equity, universality and uniformity.

Calls for Action

It is high time that the National Tax Association challenged formally and officially this expanding policy of state and local governments in subsidizing private industry. On infrequent occasions, over the past decade, we have head statements of criticism of this policy by State officials, such as in 1952 when Governor Roberts of Rhode Island submitted a proposal to his State legislature that "their state set up a $1 million revolving fund to build new industrial plants, as part of a plan to stop raids on Rhode Island industries by Southern states . . ." Shortly thereafter, Governor Dever proposed a similar plan for the State of Massachusetts.

During the past decade, more and more municipal governments, particularly in the South, have issued industrial development revenue bonds for the express purpose of financing the construction of plants and equipment for new industries. Usually, these are pure revenue bonds that do not carry the guarantee of the faith and credit and taxing power of the issuing municipal government. Despite this fact, these industrial development revenue bonds are usually sold as tax-exempt municipal bonds; that is, the interest income which the bond earns is represented as being exempt from Federal income tax.

Industrial Development Revenue Bonds Criticized

In August, 1953, I testified before the House Committee on Ways and Means of the U. S. Congress on the subject of industrial development revenue bonds. In my testimony, I argued that the new Revenue Code of 1954, which that committee was then considering for adoption, should deny the Federal income tax exemption privilege to any new industrial development revenue bonds where such new bonds do not carry the guarantee of the full faith and credit and taxing power of the issuing municipal govern-

ment, for the following reasons, in brief:

(1) These municipal development revenue bonds are issued for a proprietary purpose and not for a public purpose, as defined by Section 22 (b) (4) of the Revenue Code.

(2) The municipal government is in effect selling its Federal income tax exemption privilege to the private corporation.

(3) The U. S. Supreme Court has ruled in Federal income tax cases involving the States of New York, South Carolina and Ohio that ". . . Whenever a state engages in a business of a private nature it exercises non-governmental functions, and the business though conducted by the state is not immune from the exercise of the power of taxation which the Constitution vests in Congress . . ."

(4) The primary objective of these industrial development revenue bonds is to enable the manufacturer to earn a larger net profit in a commercial enterprise, and thus to compete unfairly with other taxpaying private corporations.

(5) These industrial development revenue bonds, if continued as income tax exempt bonds, violate the equal protection clauses and the due process clauses of our Federal Constitution.

It may be of interest to note that the House Committee on Ways and Means recognized the validity of my testimony, in that it recommended out a new bill which denied the privilege of income tax exemption unto the interest earned on any new industrial development revenue bonds that would not carry the guarantee of the full faith and credit and taxing power of the issuing local or state government. The Senate Finance Committee, before whom I testified at a later date, refused to take action on this essential bill, with the explanation that it was too difficult to define a "public purpose."

The failure of the Senate Finance Committee to correct this deficiency in the Revenue Code of 1954 has served to embolden those persons who are proponents of State and Municipal governments expansion into private business ventures. For example, we have witnessed in recent years the expansion of the Port of New York Authority into the ventures of construction and rental of buildings for private industry, and the lending of money to private industry for interest income purposes; however, the Port Authority pays no Federal income tax on such private business ventures.

It is high time that the members of the National Tax Association formally and officially recognize the following basic principles:

(1) Any invasion by government into the area of private business enterprise weakens the foundation and threatens the existence of a free economy. Thus, our state and municipal governments should not engage in any business or activity which can be conducted by private enterprise.

(2) State or municipal governmental credit should not be employed to finance the purchase of land and the construction of buildings or equipment for lease to private enterprise.

(3) The privilege of Federal income tax exemption should be denied to any future issues of industrial development revenue bonds that do not carry the guarantee of the full faith and credit and taxing power of the issuing state or municipal government.

*A statement by Mr. Wolkstein before the 53rd annual conference on taxation of the National Tax Association, New York City, Sept. 7, 1960.

Shearson, Hammill Office

TUCSON, Ariz.—Shearson, Hammill & Co. has opened a branch office at 20 East Alameda Street under the direction of Howard B. Cursey.

The Export of Canadian Gas

By Dr. Ira U. Cobleigh, Enterprise Economist

Analyzing some of the benefits to West Canada, and to companies situated there, from recent approvals of large-volume gas export.

For the past two or three years the West Canadian gas business has been treading water. As a result of the huge oil and gas reserves developed since the 1947 oil strike at Leduc an increasing problem has been the finding of markets for this rich supply of flowing hydrocarbon. The Interprovincial Pipe Line and Transmountain, accelerated the marketing of the oil, and Trans Canada Pipeline started the gas flow, but the export sale in volume of natural gas (in supply far above Canadian domestic needs for decades to come) awaited both the approval and consent of not only the National Energy Board in Canada but of the Federal Power Commission and of certain State Commissions in the United States. However, export permits now granted, or assured, in 1960 will create a fantastic volume of export gas—about 1 billion c. f. daily, once the pipelines are built to convey it. Biggest transport assignment is to Alberta and Southern Gas Co. Ltd. for 414 million c. f. per day to Northern California.

These approvals have set the stage for a regional industrial expansion far greater in its total magnitude than the St. Lawrence Seaway and its related power projects. A $400 million construction program to be completed in the Spring of 1962 is now getting under way North and South of the border; and that is but a minor outlay compared with the $6 billion to be spent during the next decade in renewed drilling programs to prove up greater reserves, in expanding the thruput of feeder and main gas transmission lines; and in providing the drilling rigs and the thousands of miles of steel piping and tubing necessary to implement the program. Hundreds of capped gas wells will, in due course, now go on stream bringing rich revenues to well and royalty owners, and creating a corresponding expansion in regional resources and consumer spending. All of which should promote not only an all time high in West Canadian economic activity but a substantial market enthusiasm for shares of companies in line to benefit from the patter of billions of cubic feet of gas in motion. This market enthusiasm is much needed, and devoutly hoped for, since producing company shares have not only been in the doldrums but selling in many cases 40-50% below conservative calculations of their break-up values.

The beneficiaries of this resurgent gas industry, are numerous and varied. Those companies engaged in industrial construction; those that make motors and compressors; those that make cables, well pipes, casings, drills and bits; those that make large diameter transmission pipes; and of course the gas and oil producers, large and small. "Caps off" to Canadian gas wells is not only a salute but a statement of fact!

Pipes for Gas

Since the basic new element in the gas picture is transportation to market, the companies that produce the pipe, nearest to where it will be used, should be very busy indeed, and should prosper. The biggest and best known of such is Page-Hersey Tubes. For years it has manufactured pipes and tubing not only for the oil industry but for almost any industrial use you might name. Page-Hersey is the largest pipe manufacturer in Canada. Its main plant in Wellington, Ontario, however, is so far from the new West Canada pipelines as to be non-competitive because of transportation costs. So the company, jointly with Steel Company of Canada, is building a new, large diameter, pipe plant at Camrose, Alberta, to supply pipeline contractors.

Page Hersey is a long dividend payer. The current rate is 90¢ and the stock sells at around 23½.

More speculative is Big Inch Pipe which quite recently commenced largebore pipe production at its new plant at Calgary, Alberta. Some analysts have enthused about this company and projected net earnings, two years hence, at upwards of $3.50 per share. A non-dividend payer, Big Inch may present some allure to the venturesome at current prices of around $11½.

A third company you might want to look at is a new one formed by recent merger of Interprovincial Steel and Prairie Pipe. It is called Interprovincial Steel & Pipe Corporation, Ltd. The Prairie division has been a successful pipe producer supplying the petroleum industry for some time. The Interprovincial Steel plant will begin production shortly and supply steel not only for Prairie but for Big Inch and other companies in the area as well. There are 2,484,325 shares of Interprovincial Steel & Pipe common outstanding. The stock might be considered as an interesting low-priced speculation at around $3.50. The plants are efficient and well situated and the regional demand for company products is excellent.

Benefiting Pipe Lines

The two companies most in line to benefit from transportation of Western Canadian gas are Westcoast Transmission Co. Ltd. and Alberta Gas Trunk Line Company Ltd. We'd like to say a word about both of these.

Westcoast now operates a 687-mile natural gas line from the Peace Power region to Huntingdon, B. C. It carried 265 million cubic feet daily in 1959; and is expected to increase capacity and thruput to 740 million cubic feet daily by 1964. On that basis Westcoast common might earn around $2.25 a share by the end of 1963. Common now sells around $15 with a 1959-1960 range between 9½ and 17.

Alberta Gas Trunk Line

This company now operates the principal gas gathering and transmission system in Alberta, carrying this invisible fuel from provincial gas fields to the borders of Alberta where it delivers to Canadian and American transmission companies. The company also supplies gas to local utilities in Alberta. The 1959 thruput was about 100 million cubic feet daily and the company showed a half million dollar loss. By 1963, however, daily deliveries are expected to exceed 400 million cubic feet and analysts have projected per share earnings for that year at around $2. Alberta Trunk needs a lot more piping to carry all this and substantial further financing appears probable. The stock sells today around 22 against a 1959 high of 30.

Gas Producers

Among producers, by all odds the largest and most substantial is British American Oil Company Ltd. with reserves of about 3.2 trillion cubic feet. The stock sells around 28 and pays $1 dividend. Its 1959 high was 44½.

Another producer with a forward look is Hudson's Bay Oil & Gas Company Ltd. with about a trillion cubic feet of reserve gas (and over $90 million worth of proven oil reserves). Hudson's Bay stands to benefit most substantially from future deliveries to Alberta Southern. Hudson's Bay common sells around $10.

Other smaller gas producers in line to gain from export sales include Canadian Delhi (around $4.50), Canadian Husky (around $5.50) and Provo Gas (around $2.). Get the facts about any or all of these before you even consider any commitment and in any event these are speculations bearing neither endorsement nor condemnation from this column.

The potentials for growth, fanning out from these exciting new export markets, for gas are interesting. They include not only expansion in facilities and earning power in the case of companies cited above, but burgeoning growth in the over-all economy of West Canada.

Elmer Myers Now With Sandkuhl

Elmer E. Myers has become associated with the firm of Sandkuhl & Company, Inc., Newark, in their New York office at 39 Broadway, as manager of their syndicate, wholesaling and trading department activities. Mr. Myers was formerly Vice-President of John R. Boland & Co., Inc. and B. W. Pizzini & Co. Prior thereto he was manager of the trading department for Sutro Bros. & Co.

In the past Mr. Myers was Vice-President of the Security Traders Association of New York.

Connecticut State Bonds Being Offered

By a margin of $35.09 a group headed by The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York was the successful bidder Sept. 21 for $35,440,000 State of Connecticut Highway System bonds due 1963-1980. The group bid 100.079999% for bonds carrying a 2.90% coupon while a competing group headed by The First National City Bank of New York and Lehman Brothers bid 100.0799%, for the bonds also as 2.90s. On a dollar basis the bids amounted to $35,468,351.65 and $35,468,316.56, respectively, a difference of $35.09. The bonds were awarded to the Chase Manhattan-Morgan Guaranty group, which reoffered the issue to the public at prices to yield 2% to 3.10%.

Among the members of the offering group are:

Bankers Trust Co.; The First National Bank of Chicago; The Northern Trust Co.; Glore, Forgan & Co.; Harriman Ripley & Co., Inc.; Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co.; The First National Bank of Oregon, Portland; R. W. Pressprich & Co.;

Ladenburg, Thalmann & Co.; Equitable Securities Corp.; F. S. Moseley & Co.; Carl M. Loeb, Rhoades & Co.; Wood, Struthers & Co.; W. E. Hutton & Co.; Trust Company of Georgia; Lee Higginson Corp.; Dominick & Dominick; Clark, Dodge & Co., Inc.;

L. F. Rothschild & Co.; Stroud & Co., Inc.; National State Bank, Newark; Shearson, Hammill & Co.; Bache & Co.; Francis I. du-Pont & Co.; Geo. B. Gibbons & Co., Inc.; Goodbody & Co.; Hirsch & Co.;

James A. Andrews & Co., Inc.; Auchincloss, Parker & Redpath; Federation Bank and Trust Co.; First National Bank in Dallas; Gregory & Sons; King, Quirk & Co., Inc.; Wells & Christensen Inc.; Brown Brothers Harriman & Co.; Cooley & Co.;

Ernst & Co.; Field, Richards & Co.; The Milwaukee Co.; Wm. E. Pollock & Co., Inc.; Scudder & German; Stern Brothers & Co.; Talmage & Co. and J. R. Williston & Beane.

Now Merit Securities

DALLAS, Tex.—Nathan G. Tobey is now conducting his securities business under the firm name of Merit Securities Company. Offices are at 6530 Lupton Drive.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks put in a rough week, with a reconfirmation of a bear market trend adding to the woes of Wall Street, and selling running as urgent as anything seen in the last five years.

Three times before this year the market found support around 599 and 600 on declines, but on the fourth test the base gave way easily, in large part because it appeared early in the day that the low was going to be violated decisively which generated that much more pressure to assure its happening.

Nervousness over the surprises in store in the United Nations sessions was credited with being partly responsible for the decline but it seemed the much more solid flow of depressing business news throughout the summer was a far more potent influence.

Late last year when the general market climate was far more favorable, the sustaining influence was derived from the many and glowing predictions of the advances to be made in the new decade. The climate built up then called for a continuous procession of new record highs in business operations, with anything less bound to discourage stock market followers.

And the bright new decade produced only two major trouble spots—in auto output and steel operations—plus a rather general profit pinch that is expected to make the third-quarter profit reports far from pleasant reading.

In retrospect, the technicians then noted that the market had been in trouble since summer a year ago when rails refused to confirm the buoyant action of the industrial section. The basis of market theory is that the two major groups should confirm the actions of each other, and finally a bear market signal in the classical tradition was given last March when the two pierced previous support levels on the downside.

New Bear Market Signal?

The same confirmation was available again this time, rails having driven their average to new lows through July and again a week ago. The drop by the industrials through the March bottom of 599.10 this week backed up the dour action of the carrier index and the better than 15 points sheared from their standing in one session was the hardest setback since the urgent selling after the President's heart attack in September, 1955, when one drive cut back the average by nearly 32 points.

And that obviously stirred up a widespread debate over where the industrial average, particularly, will find a new floor. The guesses ranged from 550 down to 520, a few even holding that much of the damage had already been done and support was going to be found nearby, particularly since the attrition since the all-time high was posted early in January now comes to a round hundred points. Such a decline means much of the over-enthusiasm has been corrected already.

All the technical indicators were agreed that the market was far from robust. New lows took over a commanding lead; volume expanded on the downturn; the breadth of the markets expanded sharply and attempts to steady were limp and inconclusive where the selling had made the larger dents. But market sentiment is notorious for switching swiftly and any excuse for a reappraisal could clear the air in a rush.

You Don't Buy the "Market"

As has been the case for years, the "market" and the gyrations of its most followed averages are one thing, and specific issues where there is value and promise despite the overall climate is another facet entirely. There is no dearth of the latter.

Even among the components of the industrial average, where yields around 3½% are the so-called average, International Harvester stands out with a return of better than 6% yet has been posting successive new lows in the general selling and is available at a price nearly a score of points under last year's high.

Another high-yielding item, long out of favor, is American Viscose which offered a return of above 5½%. The shares have been quiet all year, carving out a range of less than a dozen points and conspicuous by their absence from any of the new lows lists for several months. It is another issue available at a score of points below last year's high which, in turn, was only approximately its high in 1955. Helping account for the price stagnation is the fact that it was forced to pare its dividend in 1958 but in the middle of last year the management was confident enough to return it to the $2 rate in effect earlier. Helping spur the superior price stability in recent months has been a company plan for purchasing stock in the open market under which a third of a million shares had been reacquired as of the latest reports.

Like the economy generally, rails have had troubles through the slow steel and auto operations, compounded by some strike dislocations and investor disinterest on top of it all to keep their average acting poorly. Chesapeake & Ohio, moreover, is involved in a tussle with New York Central for control of the Baltimore & Ohio, the fate of which is in doubt. Yet it is a line that is expected to cover its dividend handily this year, and on the present payment the return is in excess of 6¼%.

Of the three roads involved in the merger bid, C.&O. generally is regarded as the one with the best financial position. If its bid for B.&O. wins out, there will be some dilution of earnings and a period where the benefits of a merger will not be immediately apparent. However, the longer term prospect is for considerable economies if the merger offer wins out. C. & O. has reassured its holders that it is confident of being able to maintain its payment through the transition period in the event it does take over the B. & O.

Victim of Past Errors

The famous name that has come on troubles and, eventually, had to cut its dividend in half is Montgomery Ward. The reason for the troubles is well known, a decade during which cash was hoarded and expansion non-existent to where its trade position deteriorated rapidly. It left a formidable chore for the new management that took over a handful of years ago. With all the lost ground to be made up, starting with revitalizing the company morale, the company faced a half-billion rebuilding program.

The five-year rebuilding plan got off to a fast start but there is a time lag in the retail business before new stores turn the profit corner. So while Montgomery's sales were up nearly 12% last year, and 3.7% more in the first half of its fiscal year, net income was down sharply forcing the dividend cut. When the "transition from an era of retrenchment to one of progressive growth," as the company describes it, will become apparent profit-wise is moot, but the management is confident a solid base for it is being laid. With the price reflecting the dividend action, the shares are more than a score of points under their high of earlier this year and offer an average return of 3½%.

Tobaccos are still among the high-yielding items, Philip Morris suffering a bit in this week's selling but the price trim boosting its yield above 5%. The stock is a high grade one, the potential adding interest being a new brand which has been put on nationwide distribution and which will be promoted intensively for the rest of this year.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Exchange Firms Present Slate

Wendell W. Witter, partner in Dean Witter & Co., San Francisco, has been nominated for the office of President of the Association of Stock Exchange Firms for the coming year. James A. Hetherington, II, Goodbody & Co., New York, and H. Lawrence Bogert, Jr., Eastman Dillon, Union Securities & Co., New York, have been nominated as Vice-Presidents, and Bayard Dominick, Dominick & Dominick, New York, as Treasurer. Elections will take place at the annual meeting in New York on Nov. 16.

Wendell W. Witter

Mr. Witter has been active in the investment business since his graduation from the University of California in 1932, becoming a partner in Dean Witter & Co. in 1950 and head of the San Francisco sales office of that firm in 1956. In 1941, Mr. Witter joined the U. S. Army Air Force, retiring with the rank of Lieutenant Colonel in 1946. He has been a Governor of the Association of Stock Exchange Firms since 1957 and presently holds the office of Vice-President. He has also served the San Francisco Division of the Pacific Coast Stock Exchange and District No. 2 of the National Association of Securities Dealers, Inc. as chairman of their respective business conduct committees.

Two With Saunders, Stiver

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Thomas M. O'Donnell and Anthon J. Shylo have been added to the staff of Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange.

Boettcher Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Frederick A. Nesbit has been added to the staff of Boettcher and Company, 828 Seventeenth Street, members of the New York Stock Exchange. Mr. Nesbit was formerly with FIF Associates, Inc.

Shearson, Hammill Branch

SARASOTA, Fla.—Shearson, Hammill & Co. has opened a branch office at 2123 Siesta Drive under the management of Patrick J. Moriarty.

Edwards & Hanly Office

HEWLETT, N. Y. — Edwards & Hanly has opened an office at 1346 Peninsula Boulevard under the management of Henry A. Behrens, Jr. and Raleigh L. Gilbert.

Developed Countries Need No Tariff Protection

By Roger W. Babson

Countries that have grown up, such as the U. S. A. and Europe, no longer need protective tariffs according to Mr. Babson. Traveling through Western Europe, the well-known financial columnist favorably notices how "everyone is 'on their toes'."

LONDON, Eng. — Every young person should be "protected" until he or she is 14 to 16 years of age. If the youth shows any natural resources, he or she should be protected or "subsidized" through high school and perhaps in college, but no longer.

United States Economics

The same economic principle should be applied by nations. The U. S. had nearly all the natural resources—including cheap labor—when it adopted a protective tariff. It had timber, oil, iron, gas, copper, water power, and the climate to raise cotton, cattle and grains. A protective tariff was then justified in order to give industry a start.

But to give the U. S. protective tariffs now, when it no longer has cheap labor, would be foolish and in the end make conditions worse. The same applies to Great Britain and most of Europe. The formation of the six-and-seven-nation European groups which have united to provide central markets for their products and eliminate trade barriers is a wonderful step forward which United States manufacturers and labor should watch.

More About Ireland

Since my last article on Ireland, I have studied the Emerald Isle most intensely. It has three basic natural resources: Good soil, plenty of rain, and fine pasture land for cattle and sheep. It, however, lacks timber, coal, oil, gas, and sunshine. It has no iron, only a trace of copper; but much cheap labor. Common labor is happy with $3.00 per day and skilled labor with $6.00 per day, since living costs are very low.

The future of Ireland is agriculture, principally livestock. The main manufactured products which appear to pay are cement and sugar made from sugar beets. There are also great possibilities for further development of the tourist business, especially hunting, fishing and mountain climbing. Yet the Irish government is making a serious effort to attract factories—with tax exemption to other aids. The most interesting experiment is being made eight miles north of Killarney by the "H-C" Crane Works. This is a German concern which is importing its iron, making it into cranes and heavy machines and exporting all their products (selling none in Ireland) to all parts of the world. All Ireland hopes these Germans will succeed.

England, France and Germany

England has a small amount of iron and coal, which, with good workers, has made this an industrial nation without the need of protective tariffs except as to luxuries. England's skilled labor and financial ability has made its bankers a power in world finance, insurance and shipping.

The French people are not too well informed on economics, but Southern France has a fine climate for raising grapes and other fruits. Hence, it is leading the world in making fine wines, perfumes, fashions and other luxuries. (Our California is fast catching up.)

Germany has steel and much cheap skilled labor; but Italy appeals most to me. It leads the world in plastics, and is fast developing a great business in automobiles and machines of all kinds.

Finally, just a word about leaving the U. S. A. and working in Europe. Except for young people who like farming and stock-raising, the opportunities in Ireland and France are slight. The clerks work from 9 A.M. to 6 P.M.—for $8.00 to $12.00 per week. I visited a skilled carpenter, the father of a man in my office at Wellesley whom I pay $8,000 a year. This carpenter gets $4.28 per day.

But the living here is cheap for working people. Everyone has good food and warm clothing and a good time. The weather is bad; but the people are healthy. A person in the U. S. who is retiring on a pension should think of coming here to live instead of going to California, Arizona or Florida. With a pension check coming every month from the "good old U. S. A." he could live here like a millionaire and have a long, healthy and happy life.

In West Germany and Italy there are more opportunities for young people, with progressive factories for making all kinds of machines, textiles, plastics, etc. But you must work; no coffee breaks or labor unions. Even the waitresses in the hotels run. Everyone is "on their toes." These European countries do not need protective tariffs.

Bateman, Eichler Names Officers

LOS ANGELES, Calif.—Bateman, Eichler & Co., 453 So. Spring St., members of the Pacific Coast Stock Exchange, have elected Willard G. de Groot President and Peter J. Eichler Vice-President.

McLaughlin, Kaufman to Admit

On Sept. 29 William R. Mulholland will acquire a membership in the New York Stock Exchange and will become a partner in McLaughlin, Kaufman & Co., 52 Wall Street, New York City, member of the New York Stock Exchange.

Cyril J. Andrews will retire from partnership in the firm on the same date.

Joins Harris, Upham

DENVER, Colo. — John B. Chafee is now connected with Harris, Upham & Co., 740 Seventeenth St.

With Foster & Marshall

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oregon—Vincent B. Hackett is now associated with Foster & Marshall, Southwest Sixth Avenue at Oak Street. He was formerly with Walston, Hoffman & Goodwin.

Now Partnership

FT. LEE, N. J.—Hyman H. Abrams & Co. has been formed to continue in the investment business of Hyman H. Abrams, 207 Wilson Avenue. Partners are Mr. Abrams and Morris Rosenberg.

With Powell, Kistler

(Special to THE FINANCIAL CHRONICLE)

FAYETTEVILLE, N. C.—Cecil O. Bilbro has become connected with Powell, Kistler & Co., 110 Old Street, members of the New York and Midwest Stock Exchanges.

Forty Years of Banking— The Past and the Future

By Harold H. Helm, *Chairman, Chemical Bank New York Trust Company, New York City.*

On the occasion of his 40th anniversary in banking, Mr. Helm offers a retrospective and prospective view of the blood stream of our economy. He recounts the principal events that have occurred in his time, comments on the soundness of our financial structure, and stresses the growing opportunities in banking, particularly in international banking. Convinced banks are destined for greater usefulness, Mr. Helm traces the opportunities therein for young men and women, and for stockholders.

It is hard to realize that 40 years have passed since I was employed by "Old Bullion" at 270 Broadway as a credit investigator. Chemical National Bank, as it was known then, had not even started a training program. We had 23 officers of whom six were Vice-Presidents with some 300 employes—all in one office. Our published statement in September, 1920, showed deposits of $119,812,000, capital funds of $19,317,000 and total resources of $210,317,000.

Harold H. Helm

Through growth and through mergers, our total resources now exceed $4 billion, our capital funds approximate $413 million and our deposits are $3½ billion. We have more than 7,000 officers and employees in 105 offices throughout Greater New York, and a sizable staff in London where we opened a branch last January. These changes took place largely during the regimes of the three chief executives under whom I have had the privilege to serve—Messrs. Percy H. Johnston, Frank K. Houston and N. Baxter Jackson. They had the courage, the vision and the ability to plan and develop a fully rounded national and international banking institution. The strong group of executives surrounding me share the responsibility to carry on in their pattern.

In 1920, there were 55 members of the New York Clearing House. This was the largest number ever reached and it has since declined to 12 as expanding business units, serving larger local, national and international markets, have been requiring the facilities of larger banks. Years ago, our bank was a so-called "wholesale" bank, but today it is prepared to serve all types of large and small customers in both banking and fiduciary capacities.

My two score years have seen many varying business conditions. In 1921, there was a so-called inventory panic. Corporations leaned heavily on banks in order that they might accept and carry large inventory commitments which were made at a high price level. Many succumbed, but, for the most part, the customers whose banks were able to carry them through the storm did not have to take the temporary heavy inventory write-downs. As a result, many banks, including ours, won the grateful appreciation and continuing loyalty of their customers.

Then came the excesses of the 1920s, including real estate speculation in some areas and the rampant rise in security prices. Banking was most exciting. New banks were springing up everywhere. The competitive bidding for deposits and the acquisition of high-rate investments and loans laid the foundation for extensive bank failures in the early 1930s. Little did I realize in September 1929, when I was made a Vice-President and member of the Bank's Loan Committee—which was less than a month before the unforgettable Black Friday stock market break—what financial disaster lay just ahead.

Valuable Legislation

These excesses led to considerable quick legislation which could not be thought through as well as it might of been. Much of it has proven valuable, such as the inauguration of the Securities & Exchange Commission and the Federal Deposit Insurance Corp.; the liquidation of bank security affiliates, and the elimination of interest payments on demand deposits. It was hard for bankers to accept and adjust to these changes, but we can now realize that it was time for some reforms. Banks found it necessary to reduce loans and, in order to inspire confidence, they competed for liquidity—even advertised the extent of their cash and cash equivalent percentage of assets to deposits—some exceeding 80%. Many important lessons were learned in this costly "boom and bust" period. In the "New Deal" years which followed, banks were unpopular. Artificially easy monetary policies prevailed for a number of years. It was in the 1942-1952 period that the value of the U. S. dollar lost over one-third of its value and the cost of living soared. This was partly due to the methods used in financing World War II with the selling of more than $100 billion of U. S. Governments Bonds to the banking system and the creation of a tremendous increase in the monetary supply without a compensating increase in production of goods and services. The later removal of price controls released an explosion of price levels and, in effect, devalued the dollar. Monetary controls and low interest rates aided and abetted this.

Fortunately in 1951, an accord was reached between the Secretary of the Treasury, Mr. John W. Snyder, and the head of the Federal Reserve Board, Mr. William McChesney Martin. Since the date of that accord, the cost of money has been allowed to reach its own level and the cost of living has been largely stabilized. It can well be claimed that bankers have contributed substantially to the prosperity of recent years. They are now lending more money to more people with more types of loans than ever before. Many studies have been made by bankers' associations and by individual banks on community and customer usefulness. It is commendable that there should now be an increasing awareness of the need for warmth in banking rooms with emphasis on a spirit of friendliness in rendering all types of service. As a result, it seems to me that bankers generally are now enjoying more popularity than ever before.

Looking back over the years, I am sure that every year and even every day has been an interesting and stimulating one for me. The variety of the customers we serve, the breadth of our horizon—especially with the great importance of New York as an international financial center—the need for our services and our understanding by small as well as large customers and fiduciary clients, the congeniality of associations inside and outside of our organization, and the opportunity for civic usefulness have combined to make my banking career an enjoyable and absorbing one. Certainly, there has been a tremendous change both in the scope of banking and in the approach to service.

At no time in the last 40 years has American banking been in as strong and as sound a position as it is at present. It is fortunate when we look into the problems facing this generation—especially the international ones — that our banks and our monetary authorities have been able to maintain a financial structure of the present soundness and magnitude. I strongly believe that banks are destined to greater fields of usefulness as time goes on and that banking offers most challeneging opportunities for young men and women as well as attractive growth potentialities for stockholders.

Opportunities in International Banking

It is toward these opportunities that my associates and I at Chemical New York are directing our attention in the financing of international trade and in guiding customers who are expanding their foreign business in so many areas. In spite of communism's infiltration in many areas, and its sharp conflict with our philosophy, the capitalistic system of competitive enterprise is thriving more widely than most of us can remember. Prosperity is evident in most parts of the Free World, especially among those countries of the European Common Market and the Outer Seven. And it is noteworthy that those countries which are strongest economically also are strongest advocates of world peace and cooperation.

The international situation is obviously dangerous, but the vitality of the West and of other areas, such as Japan, India, the Philippines and Australia is a counter-balance. There is no reason to be complacent. The Boy Scout pledge to keep oneself "physically fit, mentally alert and morally straight" would hardly be more appropriate for all freedom-loving nations. If our philosophy is to prevail, however, it is quite obvious that we must have the widest possible understanding and appreciation of our economic system. This can only come through the flow of information through a free press and the flow of trade through a free world.

As is true with many corporations and other financial institutions, we at Chemical Bank New York Trust Company have been absorbed with the privilege of training many young men from abroad who have visited us for temporary periods, learning more about our way of business and finance.

In the field of banking, of course, the serving of Metropolitan New York, and now an enlarged area as a result of recent constructive legislation, is important and exciting. There is a greater need than ever before for personal and corporate fiduciary services to our thousands of present and prospective customers. To fulfill this need will require the training, development and encouragement of young men and women—and this is today's chief responsibility of bank management.

J. L. Rosensteel Opens

SPRINGFIELD, Ohio — John L. Rosensteel is conducting a securities business from offices at 212 Hawthorne Road.

Siegler Adds to Staff

LORAIN, Ohio — Mrs. Sylvia Lieberman has been added to the staff of Edward N. Siegler & Co., Palace Theatre Building.

Connecticut Brevities

Travelers Insurance Company of Hartford recently organized a new subsidiary, Travelers Life Insurance Company. A charter for the new unit was granted by the Connecticut Legislature in 1939 but until now was not acted upon. Travelers Life is wholly owned by Travelers Insurance Company and is capitalized at $1 million, represented by 10,000 shares. In addition, it has a paid-in surplus of $2 million.

* * *

Branson Instruments of Stamford has acquired, through an exchange of stock, the Colin Campbell Company of Danbury, manufacturer of electronic devices for defense and industrial applications. A half interest in Radionics of Norristown, Pa., has also been acquired by means of a cash payment. Radionic's products, thickness gauges and flaw detectors, complement Branson's line of ultrasonic cleaning and testing equipment.

* * *

Both **Rodgers Corporation** of Rodgers, maker of electric and electronic insulation and a developer of material used in the nose cone of the Discoverer satellite, and **Polycast Corporation** of Stamford, manufacturer of plastic sheet, optical filters and lenses, have had their stocks listed on the American Stock Exchange within the past four weeks.

* * *

Fafnir Bearing Company of New Britain was named one of the 30 best managed U. S. companies in the Dunn & Bradstreet annual poll. This poll questioned 171 of the country's company presidents to determine their opinion of corporate managements. Consideration for citation went to those companies which were felt to be outstanding in long range planning, particularly management development, marketing strategy and product research.

* * *

Pratt & Whitney Aircraft of East Hartford, a division of United Aircraft, delivered the country's first liquid hydrogen rocket engine, the LR-115, which will power the Centaur space vehicle, scheduled for first flight in mid-1961. The engine, designed to deliver approximately 15,000 pounds of thrust, uses liquid oxygen and liquid hydrogen as propellants. P&WA has used more liquid hydrogen, the most powerful liquid fuel known, than all other consumers in the United States and has pioneered a new technique in its handling. At a later date uprated versions of the LR-115 will also be supplied to power the upper stage of the Saturn rocket.

* * *

Landers, Frary & Clark of New Britain, a manufacturer of housewares for 118 years, prepared to enter the electronics field six months ago with the initiation of an extensive research program. Now high precision electronic equipment and instrumentation systems for the government are being produced. Products for the consumer market, such as high speed radiant heat cookers are also being developed. Mr. Silverman, President of Landers, said there is reason to believe that electrically operated housewares will be replaced by electronic appliances in the home.

* * *

Life Insurance Agency Management Association of Hartford has sent a representative to Tokyo to conduct a school for 101 far east students in life insurance agency direction. This is the first such school under American auspices to be held outside the United States and Canada. Next year LIAMA will conduct two schools in Australia. Schools in England and France are being considered and even Thailand and Mexico have expressed interest in learning about United States methods of recruiting and training life insurance agents.

* * *

Connecticut Light & Power Company of Berlin and **Housatonic Public Service Company** of Derby may soon be more closely affiliated if the proposal of Mr. Sherman R. Knapp, CP&L's president is followed. Mr. Knapp has suggested an exchange of stock between the companies or a merger. These two public utilities serve adjoining territories and for several years the major portion of Housatonic's electric power requirements in western Connecticut has been supplied by CP&L.

* * *

Perkin - Elmer of Norwalk is planning to increase its manufacturing and office facilities 40% by building a plant in Wilton, Conn. Scheduled for occupancy by late spring of 1961, the plant will be occupied by the Electro-Optical division's engineering and research departments. This division is developing military optical systems, including the system for Project Mercury, the man in space program.

Ryder System On N. Y. S. E.

Ryder System, Inc. of Miami, Fla. has been admitted to trading on the New York Stock Exchange and Pacific Coast Exchange, effective Sept. 19.

The full story of this leader in the transportation industry is told in the annual report, which may be obtained from Department SE 11, P. O. Box 33-816, Miami, Florida.

V. E. Kimball V.-P. Of R. H. Moulton

SAN FRANCISCO, Calif. — R. H. Moulton & Company, 405 Montgomery Street, has announced that Vernon E. Kimball has been elected a Vice-President and director of the firm.

Blunt Ellis Branch

GALESBURG, Ill.—Blunt, Ellis & Simmons has opened a branch office at 311 East Main Street under the management of Louis E. Ubben.

Canadian Consolidation of Gains Reattracts Investment Interest

Continued from page 1

our guess that the Canadian dollar will stabilize at around current levels for many months to come.

The foregoing export and import notes suggest that the basic policy of Canada during the Sixties may be to accent its domestic markets both as a consumer of its own produced goods and as a supplier of capital. Population is growing by more than 500,000 a year, per capita income is already the second highest in the world (next to U. S.) and the energy and enthusiasm of the people can move domestic industries dramatically forward. We have already seen this trend in action with new steel mills in West Canada and on the St. Lawrence, new petrochemical plants in Alberta and pipelines for oil and gas which operate to lower the volume of traditional imports of petroleum in Eastern Canada.

Natural Gas Boom

In addition to expanding production for home consumption, there are some rather existing large scale projects in the offing. Natural gas has taken on a dynamic new look. In April of this year the Canadian government approved the export of more than one billion cubic feet of natural gas daily to the U. S.; and on August 8 the Federal Power Commission permitted three U. S. companies to import 584.5 million cubic feet of natural gas daily from the Alberta fields. These approvals have set the stage for a $400 million-plus construction program on both sides of the border. Westcoast Transmission Co. Ltd., Alberta Gas Trunk Line Co. Ltd., and Alberta Natural Gas Co. will transport the gas to American border points.

This huge fuel transport project will have a pervasive influence on the economy of West Canada. First, many hundred capped gas wells will go on stream, providing immediate revenues to owners. Further, the merchandizing of existing gas supplies will lead to a substantial new drilling boom, now that there's an assured long term market for gas. Industry will be attracted to the Western Provinces and residential and industrial construction should expand substantially.

Also on the horizon is the big South Saskatchewan dam, already under way, and the imaginative Road to Resources program for the development of the Northwest Territories, which will start off with a railroad to the Great Slave Lake.

Finance and Markets

In finance, the tightening of money slowed things down a bit but had the effect of bridling and restraining an inflation that might otherwise have gotten out of hand. The chartered banks of Canada have been continuing their excellent earnings and their shares, with magnificent dividend records, have long been internationally favored blue chips. Certain Canadian analysts place considerable store in the direction of bank share prices as an indicator of the general market trend. On eight occasions since 1918 rising bank stock prices have indicated strong stock markets. On that basis, the bank stock index of Dominion Bureau of Statistics hit a low of 296.6 on March 10, 1960 (over 100 points below the July, 1959 high) and has been consistently on the rise since. The leading finance company shares, Traders Finance, and Industrial Acceptance, have also been in increasing demand.

Among the metals, copper has shown improvement and the nickles led by International Nickel have been performing well at the cash register.

The Canadian consumer has displayed plenty of confidence in conditions by increasing his spending 5% over 1959. Responsive to this discretionary spending by consumers, Canadian brewing and distilling companies have done well and their shares have been among the stronger sections of the stock market.

St. Lawrence Seaway

One of the major additions to the Canadian economy was the St. Lawrence Seaway which celebrated its first official birthday on June 26, 1960. Last year, results were somewhat disappointing due to the 116 day steel strike in the U. S. This year there were further retarding influences principally the late thaw and a 19 day dock workers strike on the Great Lakes. There have also been some bottlenecks in the Canal itself and some delays in the construction of adequate dock facilities in some of the Great Lake ports. For these reasons, the 29 million tons, forecast for the Seaway in 1960 seems unlikely to be attained. For the long run, however, the Seaway is bound to prove a major factor in expanding the Canadian economy both for the development and transport of natural resources of the East and West, and for the highly industrialized regions of Ontario.

Politically the Conservative Government seems to have lost a little in popularity due principally perhaps to the program of financial austerity and the rise in unemployment in 1960.

Altogether the position of Canada today seems to be a sound and encouraging one. It would be nice if the uranium market could be projected more favorably beyond 1966; and it would be nice if wheat were not in such world wide oversupply. But offsetting these clouds are some silver linings—the rising demands for iron ore, nickel, aluminum, paper, steel and petrochemicals; and the consumer demands of a rising population for homes, motor cars, life insurance and the wares of super markets.

Canada is today in a position to consolidate its great gains of the past decade and to provide renewed attractions to investors throughout the world who, for many years, have shown great partiality toward Canadian equities. This partiality is easily accounted for when you examine the following broadly diversified list of stocks of sound companies and fine earners which have paid continuous dividends for from 5 to 132 years.

TABLE 1

CANADIAN
(Listed and Unlisted)
Common Stocks
On Which
CONSECUTIVE CASH DIVIDENDS
Have Been Paid From
10 to 132 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Abitibi Power & Paper Co., Ltd. Newsprint and allied products	12	1.70	38¾	4.4
Acadia Atlantic Sugar Refineries Ltd. Refines raw sugar cane & produces 50 or more grades & packages of sugar	10	0.60	b10	6.0
Agnew-Surpass Shoe Stores, Ltd. Makes and distributes shoes through 128 store retail chain	27	0.68	b17¼	3.9
Aluminium Ltd. new Largest producer of aluminum ingot in the world	22	0.55	30⅛	1.8
Andian National Corp., Ltd. Operates oil pipe line in Colombia, S. A.	17	*0.40	b6½	6.2
Anglo-Canadian Pulp and Paper Mills, Ltd. Newsprint and allied products	15	2.00	b37½	5.3
Anglo-Huronian Ltd. Holding & operating co.—chiefly interests in Can. gold mining	21	0.50	b7.00	7.1
Anglo-Newfoundland Development Co., Ltd. "Ord." Newsprint and allied products; also mining interests	16	0.30	6⅝	4.5
Argus Corp., Ltd. Investment co.—manufacturing & merchandising interests	14	1.00	27½	3.6
Asbestos Corp., Ltd. Mining & milling of asbestos fibre	23	1.40	23	6.1
Ashdown Hardware Co., Ltd., J. H., "B" Large wholesale and retail business in general hardware	23	0.72	b12½	5.8
Aunor Gold Mines Ltd. Ontario gold producer	20	0.16	b2.30	7.0

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
b Bid.

Canadian Consolidation of Gains Reattracts Investment Interest

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦ —Canadian $ § —	Approx. % Yield Based on Paymts. to June 30, 1960
Auto Electric Service Co. Ltd. new Service distributors of automotive electrical carburetors & auxiliary equipment	14	†0.484	b8¼	5.9
Bank of Montreal Operates 813 branches and agencies throughout the world	132	1.90	53¾	3.5
Bank of Nova Scotia Operates 584 branches and sub-offices throughout the world	128	2.30	57¼	4.0
Banque Canadienne Nationale Operates 594 branches in Canada	79	1.95	52	3.8
Barber-Ellis of Canada, Ltd. Stationery and printers' supplies	30	6.20	b80	7.8
Barymin Explorations Ltd. Holding company, prospecting and exploring various properties N W Ontario	11	0.03	0.41	7.1
Beatty Bros. Ltd. Manufacturers of barn and stable equipment, household equipment, pumps, etc.	21	0.50	5⅛	9.8
Beaver Lumber Co. Ltd. Lumber & building supply retailer, 273 branches in Canada	17	1.25	b22	5.7
Bell Telephone Co. of Canada Most important telephone system in Ontario and Quebec	80	2.10	44⅞	4.7
Biltmore Hats Ltd. Men's fur, felt and wool felt hats	27	0.40	b6¾	5.9
Bird Construction Co. Ltd. Engaged in general building and road construction with branches in several cities in central Can.	12	2.40	55	4.4
British American Bank Note Co. Ltd. Makes bank notes, bonds, revenue stamps and similar items	26	2.70	b47¾	5.7
British American Oil Co. Ltd. Petroleum production, refining, distribution	51	1.00	25⅞	3.9
British Columbia Power Corp. Ltd. Holding co., controlling B. C. Electric Co. Ltd.	43	1.40	31⅜	4.5
British Columbia Telephone Co. "Ord." Second largest privately owned telephone system in Canada	45	2.10	44½	4.7
Brock (Stanley) Ltd. "B" Laundry supplies, hardware, plumbing supplies, etc.	14	0.40	b8⅜	4.8
Building Products Ltd. Asphalt roofing, flooring and insulation	34	1.80	30½	5.9
Bulolo Gold Dredging, Ltd. Operates a gold dredging project in New Guinea	13	0.50	b4.35	11.5
Burlington Steel Co. Ltd. new Steel rolling mill & related oper.	24	0.85	15	5.7
Burns & Co. Ltd. Meat, lards, butter, poultry products, etc.	14	0.70	b13⅛	5.3
Calgary & Edmonton Corp., Ltd. Leases oil and gas drilling rights in Alberta	24	0.15	15½	1.0
Canada Cement Co., Ltd. Portland cement	11	1.00	26½	3.8
Canada & Dominion Sugar Co., Ltd. Cane and beet sugar refining	30	0.60	15⅞	3.8
Canada Bread Co., Ltd. Bread and cake wholesaler and retailer	17	0.10	b3.75	2.7
Canada Flooring Co., Ltd. "B" Specializes in manufacture of hardwood flooring of all kinds	11	1.00	a12⅝	7.9
Canada Foils, Ltd. Oldest and largest foil converting plant in Canada	12	0.80	a21	3.8
Canada Iron Foundries, Ltd. Holding and operating company—machinery & equipment interests	16	1.50	16¼	9.2
Canada Malting Co., Ltd. Malt for the brewing & distilling industries	33	2.00	b53¼	3.8
Canada Packers Ltd., "B" Full line of packinghouse prods.	25	1.75	b42¼	4.1
Canada Permanent Mortgage Corp. Lends on first mortgage security, issues debentures, accepts deposits	105	2.00	48¼	4.1
Canada Steamship Lines, Ltd. Freight and passenger vessels: other diverse interests include hotels	18	1.40	b41¾	3.4
Canada Vinegars Ltd. Vinegar and apple products	36	1.40	b32½	4.3
Canada Wire and Cable Co. Ltd. "B" Copper and steel wires and ropes	22	0.30	a7½	4.0
Canadian Bank of Commerce Operates 858 branches throughout the world	93	2.25	52¾	4.3
Canadian Breweries Ltd. Holding co.—brewing and grain milling interests	16	1.55	37	4.2
Canadian Bronze Co., Ltd. Holding co. — subidiaries make bronze bearings, bushings and castings	33	1.50	b20	7.5
Canadian Celanese Ltd. Synthetic yarns and fabrics	25	1.10	20	5.5

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
a Asked.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦ —Canadian $ § —	Approx. % Yield Based on Paymts. to June 30, 1960
Canadian Dredge & Dock Co. Ltd. General dredging; construction & repair work on waterways	11	1.00	13½	7.4
Canadian Fairbanks Morse Co., Ltd. Exclusive sales agents for Fairbanks, Morse & Co. of Chicago	23	0.633	6¼	10.1
Canadian Gen. Elec. Co., Ltd. Exclusive manufacturing & selling rights of General Electric products in Canada	31	12.00	b750	1.6
Canadian Gen. Invest. Ltd. Management type invest. trust	32	1.35	29	4.7
Canadian Industries Ltd. Chemicals and allied products	34	0.50	b13⅛	3.8
Canadian Ingersoll-Rand Ltd. Manufactures compressors, pneumatic tools, pulp and paper	31	1.25	b39½	3.2
Canadian International Investment Trust Ltd. Management type of investment trust	10	1.00	b15	6.7
Canadian Oil Cos., Ltd. Petroleum refining & distribution	35	0.80	19¾	4.1
Can. Pac. Ry. Co., "Ord." "The" private railway system of Canada	17	1.50	24⅛	6.2
Canadian Tire Corp., Ltd. Sells automotive accessories, parts, etc., through 170 stores	17	0.70	180	0.4
Canadian Vickers, Ltd. Shipbuilding, repairs; also makes industrial and mining machinery	11	0.60	b13¾	4.4
Canadian Westinghouse Co., Ltd. Airbrakes and large variety of electrical apparatus	15	1.00	a39	2.6
Chartered Trust Co. General fiduciary business	26	1.70	b59½	2.9
Chateau-Gai Wines Ltd. Wines and juices	16	1.00	b22½	4.5
Cochenour Willans Gold Mines Ltd. Gold producer N. W. Ontario	13	0.13	2.82	4.6
Collingwood Terminals, Ltd. Operates a 2 million bushel grain elevator in Collingwood, Ontario	19	1.00	b14	7.1

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦ —Canadian $ § —	Approx. % Yield Based on Paymts. to June 30, 1960
Conduits National Co., Ltd. Rigid electrial conduits, elbows, couplings, etc.	24	1.00	b11	9.1
Confederation Life Assoc. Wide range of endowment and life policies	37	2.00	b136	1.5
Consolidated Mining & Smelting Co. of Can. Ltd. Lead, zinc, silver, chemical fertilizers, etc.	28	0.80	18	4.4
Consol. Paper Corp., Ltd. Owns five mills; daily newsprint capacity 2,764 tons	15	2.00	38⅞	5.1
Consumers Gas Co. Manufactures and distributes gas in the Toronto area	113	1.00	39½	2.5
Consumers Glass Co., Ltd. Wide variety of glass containers	25	1.50	22⅝	6.6
Corby (H.) Distillery Ltd. V.t. Holding and operating co. — alcohol and spirits	24	1.10	16¾	6.6
Cosmos Imperial Mills Ltd. Manufactures heavier grades of cotton duck	26	0.80	11¼	7.1
Crain, R. L. Ltd. Manufactures & sells continuous business forms	15	0.3625	19¾	1.8
Crown Cork & Seal Co., Ltd. Bottle caps for the beverage industry	32	2.25	b48¾	4.6
Crown Trust Co. General fiduciary business	61	0.90	b25¼	3.6
Crow's Nest Pass Coal Co., Ltd. Coal producer on western slope of Canadian Rockies	43	0.60	b18	3.3
Distillers Corp.-Seagrams Ltd. A holding co.—interests include a complete line of whiskies and gins	24	1.70	28⅜	6.0
Dome Mines Ltd. Ontario gold producer	41	0.70	17⅜	4.0
Dominion and Anglo Investment Corp., Ltd. Investment holding company	21	18.00	b500	3.6

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

Continued on page 20

Canadian Consolidation of Gains Reattracts Investment Interest

Continued from page 19

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Dominion Bridge Co., Ltd. Bridges, cranes and structural steel of all kinds	48	1.00	16¼	6.2
Dominion Corset Co. Ltd. Manufactures ladies' foundation garments	11	1.00	b15½	6.5
Dominion Engineering Wks., Ltd. Wide variety of machines and equipment	19	1.00	15	6.7
Dominion Fabrics, Ltd. Towels, tapestries, draperies, etc.	34	0.60	b9⅞	6.1
Dominion Foundries & Steel Ltd. Makes wide variety of primary steel products	24	1.30	40¾	3.2
Dominion Glass Co., Ltd. Wide variety of glassware	43	2.70	b73¾	3.7
Dominion Insurance Corp. Operates company for fire insurance, etc.	17	8.00	b275	2.9
Dominion Oilcloth and Linoleum Co., Ltd. Wide range of linoleum and oilcloth products	74	2.20	33¾	6.5

Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 24

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Dominion Steel & Coal Corp. Ltd. A holding co.—coal, iron & steel interests	15	0.55	b12¼	4.5
Dominion Stores Ltd. Operates grocery and meat chain of 349 stores	19	1.25	55	2.3
Dominion Tar & Chemical Co., Ltd. Distiller of coal tar & producer of its derivatives	15	0.60	13⅞	4.3
Dominion Textile Co., Ltd. Wide range of cotton yarns and fabrics	49	0.60	9¼	6.5
Donohue Brothers Ltd. Owns and operates a paper mill at Clermont, Quebec	15	0.75	14⅝	5.1
Dover Industries Ltd. Owns and operates two flour mills, capacity 1,350 bbls. daily; also 2 box and 1 ice cream cone factory	21	0.55	b11¼	4.9
Economic Invest't Trust Ltd. General investment trust business	34	1.60	b35	4.6

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Eddy Match Co. Ltd. Manufactures and sells wood and book matches and through subs. is in lumber business and manufacturer of vending machines	23	1.50	b27½	5.5
Electrolux Corp. "Electrolux" vacuum cleaners, & air purifiers	17	*1.20	b19⅛	6.3
Empire Life Insurance Co. Operates as life insurance co.	10	1.00	b56½	1.8
Equitable Life Insurance Co. of Canada Wide line of life and endowment policies	22	0.90	b53¼	1.7
Falconbridge Nickel Mines, Ltd. Nickel, copper, cobalt; subsidiary produces steel castings	28	1.35	31⅝	4.3
Famous Players Canadian Corp., Ltd. Largest operator of motion picture theatres in Canada	26	1.50	21	7.1
Fanny Farmer Candy Shops, Inc. Operates large candy chain of 407 stores and 1,104 agencies	33	1.00	16	6.3
Finlayson Enterprises Ltd. Distributes through subsidiaries smokers' requisites, drugs, cosmetics, etc.	10	0.70	b9¾	7.2
Ford Motor Co. of Canada, Common Automotive manufacturer	28	5.00	130	3.8
Foundation Co. of Canada Ltd. Engineers & general contractors	21	0.50	9½	5.3
Fraser Companies, Ltd. Wide variety paper and lumber products; synthetic yarns and fabrics	17	1.50	25¼	5.9
A. J. Freiman, Ltd. Owns and operates 2 department stores in Ottawa	15	1.50	35	4.3
Gatineau Power Co. Hydro-electric energy in Eastern Canada	23	1.60	35⅝	4.5
General Bakeries Ltd. One of Canada's largest independent bakery operations. Makes bread, cakes, biscuits and confectionery	10	0.35	a7¼	4.8
General Steel Wares Ltd. Household utensils; hotel, restaurants, and hospital equipment; refrigerators, etc.	20	0.40	b9	4.4
Goodyear Tire & Rubber Co. of Canada, Ltd. Natural and synthetic rubber products	34	6.00	b120	5.0
Gordon Mackay Stores Ltd. "B" Manages subsidiaries which distribute textile products and allied goods	36	0.50	a8	6.3

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
a Asked.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Grand & Toy Ltd. Manufactures commercial & general stationery & business forms and distributes office supplies & furniture throughout Ontario	17	1.80	b43	4.2
Great Lakes Paper Co., Ltd. Manufactures newsprint and unbleached sulphite paper	14	1.60	39	4.1
Great West Coal Co., Ltd. "B" Wholesale distributor of lignite coal	14	0.25	b3.00	8.3
Great-West Life Assur. Co. Wide range of life, accident and health policies	61	4.55	340	1.3
Great West Saddlery Co., Ltd. Wholesale distributor of general store mdse., and riding goods	11	†0.13	b2.75	4.7
Greening (B.) Wire Co., Ltd. Wide variety of wire products	23	0.20	b3.25	6.2
Guaranty Trust Co. of Can. General fiduciary business	32	0.80	b26	3.1
Hallnor Mines, Ltd. Ontario gold producer	22	0.15	1.75	8.6
Hamilton Cotton Co., Ltd. Wide variety of textile products	19	0.90	b15	6.0
Harding Carpets Ltd. Specializes in seamless "Axminster" and "Wilton" rugs	25	0.65	b10¼	6.3
Hayes Steel Products Ltd. Wide variety of automotive parts	18	1.50	b22½	6.7
Hinde and Dauch Ltd. Wide variety of paperboards, boxes, etc.	27	1.80	b53¼	3.4
Hollinger Consolidated Gold Mines, Ltd. Ontario gold producer	45	0.60	22¼	2.7
Hudson Bay Mining & Smelting Co. Ltd. Manitoba copper & zinc products	26	3.00	43⅞	6.8
Huron & Erie Mortgage Corp. Lends money on first mortgage security and operates deposit and debenture accounts	96	1.825	52	3.5
Imperial Bank of Canada Operates 328 branches throughout Canada	85	1.90	b57½	3.3
Imperial Flo - Glaze Paints Ltd. Varnishes, lacquers, enamels, paints, etc.	20	1.60	a36½	4.4
Imperial Life Assurance Co. of Canada Comprehensive range of life, endowment and term policies	86	2.20	b80	2.8
Imperial Oil Ltd. With subsidiaries comprises full integrated oil enterprises	61	1.20	31¼	3.8
Imperial Tobacco Co. of Canada, Ltd. "Ord." Tobacco, cigars and cigarettes	49	0.675	11½	5.9
Industrial Acceptance Corp., Ltd. Purchases acceptances; also small loans & gen'l insurance business	13	1.65	38	4.3
Interior Breweries Ltd. "B" Operates 2 breweries with combined capacity of 70,000 barrels per year	10	0.18	2.90	6.2
International Bronze Powders Ltd. Holding co. Subs. manufacture bronze and aluminum powders	10	0.70	b12½	5.6
International Metal Industries Name changed to Wood (John) Industries Ltd. Shares exchanged share for share				
International Nickel Co. of Canada, Ltd. new Holding and operating co.—Primary operations at mines and smelters near Sudbury, Ontario	27	†1.60	55¼	2.9
International Paper Co. Holding and operating co. — Operates pulp and paper mills in Canada and the U. S.	15	3.00	b98	3.1
International Petroleum Co. Ltd. South American oil producer and refiner	43	1.20	b43	2.8
International Utilities Corp. Management and development of natural gas and electrical companies in Alberta	17	1.45	33⅝	4.3
Investment Foundation Ltd. Management type investment trust	17	2.40	b38	6.3
Kerr-Addison Gold Mines Ltd. Ontario gold producer	21	0.80	12	6.7
Labatt (John) Ltd. General brewing business	16	1.20	26⅜	4.5
Lamaque Gold Mines Ltd. Quebec gold producer	22	0.20	3.00	6.7
Lambert, Alfred, Inc. "B" Manufacturers, wholesalers and retailers of footwear goods	10	0.75	b13	5.8
Lambton Loan & Investment Co. Oldest mortgage company in Canada, Company also issue debentures and accepts deposits.	117	1.10	a32	3.4
Laura Secord Candy Shops, Ltd., new Retail candy chain in Ontario & Quebec—133 stores	34	0.675	14⅜	4.7
Lawson and Jones Ltd. "B" Engaged in printing and lithographing, manufactures labels, folding cartons and calendars, etc.	12	1.00	b26½	3.8

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
a Asked.
b Bid.

Canadian Consolidation of Gains Reattracts Investment Interest

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960◆	Approx. % Yield Based on Paymts. to June 30, 1960
Leitch Gold Mines Ltd. Ontario gold producer	23	0.06	1.40	4.3
Lewis Bros., Ltd Wholesale hardware trade in Eastern Canada	15	0.60	b10½	5.7
Loblaw Cos. Ltd. "B" Operates chain of 229 "self-service" grocery stores in Ontario	38	0.40	28½	1.4
Loblaw, Inc. Operates 224 "self-service" food markets in northern New York, Pennsylvania and Ohio	22	0.25	11½	2.2
Lower St. Lawrence Power Co. Quebec electric utility	10	1.00	b30¼	3.3
Walter M. Lowney Co., Ltd. Chocolate and other confection products	25	1.00	24	4.2
Macassa Mines, Ltd. Ontario gold producer	12	0.15	2.47	6.1
Maclaren Power & Paper Co. Holding company—newsprint, lumbering and power interest	19	3.50	84	4.2
MacMillan, Bloedel & Powell River Ltd. Company formed as a result of merger in December, 1959, of MacMillan & Bloedel Ltd. and Powell River Co. Ltd. Fully integrated lumber business; large exporter	20	†0.68	b14⅞	4.6
Madsen Red Lake Gold Mines Ltd. Ontario gold producer	21	0.20	2.61	7.7
Maple Leaf Gardens, Ltd. Owns and operates Toronto sports arena of same name	15	1.20	28½	4.2
Maple Leaf Milling Co., Ltd. Grain handling; flour milling; operation of bakeries, etc.	15	0.50	13	3.8
Massey-Ferguson, Ltd. Complete line of farm implements and machinery	15	0.40	8⅞	4.5
Maxwell Ltd. Manufactures washing machines, dryers, lawn mowers and food choppers	11	0.35	b2.75	12.7
McCabe Grain Co., Ltd., com. General grain dealings	14	1.15	b26	4.4
McColl-Frontenac Oil Co. Ltd. **See Texaco Canada Limited** Oil production, refining and distribution				
McIntyre Porcupine Mines, Ltd. Ontario gold producer	44	1.67	b23	5.1
Midland & Pacific Grain Corp., Ltd. Dealers in grain and operates line elevators in Western Canada	15	1.00	b15	6.7
Milton Brick Co., Ltd. Makes first quality face brick	11	0.20	2.00	10.0
Mining Corp. of Canada, Ltd. Holding, exploration & financing company	12	0.60	b10½	5.7
Minnesota and Ontario Paper Co. Newsprint, specialty papers and other timber products	14	1.60	b29¼	5.5
Mitchell (J. S.) & Co., Ltd. General supply house for many industries in Eastern Quebec	26	1.25	b20	6.3
Mitchell (Robert) Co., Ltd. "A" Brass, bronze, nickel and other metal products	13	1.00	11⅞	8.4
Modern Containers Ltd. "A" Makes tube containers for tooth paste, shaving cream and other semi-liquid products	13	1.00	b14¾	6.8
Molson's Brewery, Ltd. "B" Montreal brewer	16	0.90	24¼	3.7
Monarch Investments Ltd. Operates and owns number of apartment houses	13	2.00	b45	4.4
Montreal Locomotive Works, Ltd. Diesel-electric locomotives and related production	15	1.35	b15	9.0
Montreal Refrigerating & Storage Ltd. "B" Operates general and cold storage warehouse in Montreal	15	†1.30	b18	7.2
Montreal Trust Co. Executor & trustee, management of securities & real estate	52	1.55	43	3.6
Moore Corp. Ltd. Business forms, advertising display products, etc.	17	*0.80	47¼	1.7
Morgan (Henry & Co.) Ltd. Owns and operates department stores in Ontario & Quebec.	18	1.00	b26	3.8
Mount Royal Rice Mills Manufactures and distributes rice products.	15	1.25	a20¾	6.0
National Drug and Chemical Co. of Canada, Ltd. Wholesaler of drugs, chemical & general merchandise	20	0.80	14½	5.5
National Grocers Co., Ltd. Ontario grocery wholesaler	19	0.60	b20	3.0
National Hosiery Mills Ltd. "B" Manufactures ladies' hosiery	13	0.28	b2.25	12.4

◆ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
† Adjusted for stock dividends, splits, distributions, etc.
a Asked.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960◆	Approx. % Yield Based on Paymts. to June 30, 1960
National Steel Car Corp., Ltd. Railway cars, automobile chassis, etc.	24	0.80	b12¾	6.3
National Trust Co., Ltd. General trust business, also accepts deposits	62	1.80	b50¼	3.6
Neon Products of Canada Ltd. Neon advertising signs	31	0.60	b14½	4.1
Newfoundland Light & Pow. Co., Ltd. Operating public utility	12	1.95	b45	4.3
Niagara Wire Weaving Co., Ltd., new Makes wire mesh, cloth, wire weaving machinery, etc.	26	0.80	b11⅜	7.0
Noranda Mines, Ltd. Copper and gold producer	31	2.00	36¾	5.4
Normetal Mining Corp., Ltd. Quebec copper and zinc producer	15	0.30	2.79	10.8
Northern Telephone Co. Ltd. Operates telephone system in 36 centres Northern Ontario and Nothwestern Quebec. Dec. 31, 1957, had 48,817 telephones in use	50	0.105	3.35	3.1
Nova Scotia Light & Power Co. Ltd Diverse utility interests in Halifax and vicinity in Nova Scotia	31	0.60	13½	4.4
Office Specialty Manu. Co. Ltd. Manufactures and distributes office furniture and supplies	15	0.80	b12¾	6.3
Ogilvie Flour Mills Co., Ltd. Mills flour, feeds, and cereals	58	2.00	42	4.8
Okanagan Telephone Co. Owns and operates local and long distance phone system. At latest report has 22,421 phones in use.	12	0.60	12¼	4.9
Ontario Loan and Debenture Co. Accepts deposits and sells debentures; invests in first mortgages	90	1.20	a27¼	4.4
Ontario Steel Products Co., Ltd. Automotive springs, bumpers and plastic products	23	1.40	b18	7.8
Pacific Atlantic Canadian Investment Co. Ltd. Investment trust of Management type	19	0.15	2.90	5.2
Pacific Coast Terminals Co. Ltd. Owns terminal facilities and cold storage warehouse at New Westminster, B. C. Capacity—1,500,000 tons cargo per year	17	3.75	70	5.4
Page-Hersey Tubes, Ltd. Industrial pipe and tubing	35	0.90	22⅞	3.9
Pato Consolidated Gold Dredging Ltd. Operates a gold dredging project in Colombia, S. A.	22	0.20	b2.45	8.2
Penmans Ltd. Woolen, cotton and silk knitted goods	54	1.80	29	6.2

◆ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
a Asked.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960◆	Approx. % Yield Based on Paymts. to June 30, 1960
People's Credit Jewellers Ltd. Retailer of jewelry and associated merchandise	19	0.70	b19	3.7
Photo Engravers & Electrotypers Ltd. Photo engravings, electrotypes, commercial photography, etc.	27	0.75	b13½	5.6
Placer Development, Ltd. Investment—holding company—gold interests	28	0.50	13	3.8
Power Corp. of Canada, Ltd. A utility holding management and engineering company	24	2.00	44	4.5
Premier Trust Co. Operates as trust company trustee, etc.	44	8.00	b151	5.3
Price Brothers & Co., Ltd. Newsprint and related products	17	2.00	38⅝	5.2
Provincial Bank of Canada Operates 173 branches & 185 agencies in eastern Canada	60	1.20	34¼	3.5
Provincial Transport Co. Operates coach lines in Quebec and Ontario	24	0.75	b14	5.4
Quebec Power Co. Operating public utility	46	1.60	37	4.3
Quebec Telephone Provides telephone services to some 300 towns & villages in 17 counties of Eastern Quebec	10	0.90	29	3.1
Quemont Mining Corporation Ltd. Produces gold, silver, copper, zinc, and pyrites in Quebec	10	0.90	8.60	10.5
Quinte Milk Prod., Ltd. Wide variety of milk products	12	0.15	b4.05	3.7
Reitman's (Canada) Ltd. Through holdings of 3 subs. operates 111 retail clothing stores in Ontario and Quebec	10	0.30	b15¼	2.0
Robertson (P. L.) Manufacturing Co., Ltd. Wide range of screws and bolts etc.	19	0.80	b11½	7.0
Robinson Little & Co., Ltd. Wholesale and retail merchandising of dry goods & variety store lines	13	0.80	b13	6.2
Rolland Paper Co., Ltd. "B" High-grade bond writing paper & related products	11	0.85	b39	2.2
Royal Bank of Canada Operates 969 branches throughout the world	92	2.375	66½	3.6
Russell Industries Ltd. Holding company — machine tool interests	25	0.60	b9¼	6.5
St. Lawrence Corporation Ltd. Newsprint and allied products	10	1.00	17⅜	5.8
Sangamo Co., Ltd. Electric meters, motors, switches, etc.	24	0.60	b10½	5.7
Scythes & Co. Ltd. Manufactures cotton and wool waste, cotton, wipers, etc.	25	1.00	b11	9.1

◆ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

Continued on page 22

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Houston Lighting & Power Company

Houston Lighting & Power supplies electricity to a population of 1,575,000 in south central Texas, Houston and Galveston being the largest of the 146 communities served. Houston is rapidly becoming a headquarters for the oil industry, particularly the Standard Oil group. There are more than 20 producing oil and gas fields within a radius of 50 miles, and the city is almost surrounded by 14 of the largest refineries in the nation. The chemical business is also expanding. The population of Houston increased 59% in the past decade, many large new buildings being constructed and the amount of office space doubled. A city water supply for the next 50 years is now assured.

Metropolitan Houston, with a population in excess of 1,000,000, accounts for close to three-fourths of the total population served by the company. Much of the industry now located in Houston is based on raw materials but the company is now trying to attract manufacturers of finished goods into the area, and because of the city's location and importance, this move should prove successful.

Activities other than oil and gas in the area include production of magnesium, sulphur, salt; manufacture of oil tools, ships, steel products, cement, paper, synthetic rubber, chemicals, building materials and food products; processing of manganese and tin; shipping and other transportation. Farming includes cotton, rice, a variety of livestock feeds, and cattle. Some $280 million construction was reported under way in the company's area earlier this year, or definitely projected.

The company's revenues are about 38% residential and rural, 14% commercial and 36% industrial. Average residential rates are only about 2¢ per kwh compared with the national average around 2.50¢; and annual usage is estimated at nearly 5,000 kwh or about 38% above the national average.

In connection with the new residential rate schedule adopted in June last year, a special 1¢ per kwh rate was set up for all kwh in excess of 900 per month during the heating season, November through April. This was designed to promote use of heat pumps, as well as to benefit sales of other electric appliances. Promotion of heat pumps was increased last year and the number of installations was quadruple that of the previous year—1,069 against only 90 in 1957. The company now leads the United States in the introduction of heat pumps, despite gas competition (the heat pump can give combined heating and cooling service as cheaply as gas, company officials indicate.) In the first quarter of 1960 the number of new heat pumps installed was about two-thirds of the total for the entire year 1959.

The company's "Reddy Wiring" and "Medallion Home" programs continued to meet with good acceptance by area builders. Some 200 Medallion Homes, located in all parts of the area, were opened to the public during National Home Week. The company is also active in rural areas with counsellors helping farmers to obtain improved production through increased use of electrical equipment. Farm applications include water pumping for row crop and rice irrigation; automated dairy operations; grain drying and storage facilities; and chick brooding.

The company has been building up its capacity rapidly, in order to eliminate purchased power. A 220,000 kw unit was installed in April, 1959 and two other units of the same capability were scheduled for completion in March and May this year. A 285,000 kw unit, one of the largest in the southwest, is also scheduled to go on the lien early next year. At that time system capability will approach three million kw and no additional capacity will be required during 1962. The peak load this summer was forecast earlier at 1,900,000 kw compared with 1,682,000 last year; however, air-conditioning has probably been below expectations. Including the two new units installed this year, the company now has about a 36% reserve.

Houston Lighting is considered one of the major growth utilities although the 13% average annual gain in revenues in recent years may taper off to around 10%. The increase in share earnings has been only about 6% over the past five years, on a compounded basis, possibly due to the program of building up extra capacity. The rate of return earned on net property account, as compiled by Standard & Poor's, declined from 8.4% in 1956 to 6.8% in 1959-60. The company has been studying the need for a general rate increase but has not yet reached any definite decision whether to seek one.

In connection with renewal of the company's Houston franchise in June, 1959, the company's residential rate schedules in that city were revised, and a provision was inserted that any future increase in residential or small commercial rates due to fuel adjustment or tax clauses would become effective automatically after filing, unless disapproved by the city. Fuel adjustment clauses now apply to all rates except street lighting and should help in future to protect the company against rising costs of gas for fuel.

Earnings for the 12 months ended July 31 were $3.16 (despite a rather disappointing summer with respect to air-conditioning) compared with $2.93 in the previous 12 months, an increase of 8%. Earlier in the year President Wharton had forecast earnings of $3.15 for calendar 1960, but it now looks as though this budget figure might be exceeded. However, latest earnings included about 16c per share for the credit for interest on construction. As next year's construction program may run only a little more than half as large as this year's $39 million budget, it seems likely that the interest credit will decline in 1961. The equity ratio approximates 41%; it appears unlikely that common stock or convertibles will have to be sold for a number of years.

Houston Lighting closed last Monday at 83¼, up 1¼ despite a drastic decline in industrials (the Dow Industrial Average declined about 15 points). At that price, paying $1.60, the yield is only 1.9%. The price-earnings ratio is about 26.

Canadian Consolidation of Gains Reattracts Investment Interest

Continued from page 21

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Shawinigan Water and Power Co. new Quebec electric utility	54	0.80	26¾	3.0
Sherwin-Williams Co. of Canada, Ltd. Paints, varnishes, enamels, etc.	19	2.05	b38½	5.3
Sicks' Breweries Ltd. Beer, ale, stout and carbonated beverages	33	1.20	b23	5.2
Sigma Mines (Quebec) Ltd. Quebec gold producer	21	0.20	3.05	6.6
Silknit Ltd. Lingerie, swim suits and other rayon products	13	1.00	b19½	5.1
Silverwood Dairies, Ltd. "A" Full line of dairy products	14	0.60	10⅛	5.9
Simpson's Ltd. Owns and operates through subs dept. stores in Canada	15	0.65	27¼	2.4
Siscoe Mines Ltd. Holding Co. with interest in various mines located in Ontario and Quebec	11	0.045	0.86	5.2

Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 24

Slater (N.) Co., Ltd. Pole-line hardware for power companies; also metal stampings and forgings	23	1.45	30¾	4.7
Smith (Howard) Paper Mills Ltd. Pulp and paper manufactures in Canada	16	1.20	38	3.2
Southam Co., Ltd. Publishes seven daily newspapers across Canada; operates three radio stations	25	†0.80	19¼	4.2
Southern Canada Power Co., Ltd. Operating public utility; Southern Quebec	38	2.50	b58	4.3
Sovereign Life Assurance Co. of Canada Life and endowment insurance	42	2.50	192	1.3
Standard Paving & Materials Ltd. General paving contractor	13	†0.80	b15¼	5.2
Standard Radio Ltd. Through subsidiaries owns and operates radio and short wave stations in Canada	20	0.60	b10¼	5.9
Stedman Brothers Ltd. Wholesale and retail small wares business	26	1.20	31½	3.8
Steel Co. of Canada, Ltd. Engaged in all branches of steel production	45	2.30	69⅜	3.3

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

Mitchum, Jones to Admit J. E. May

PALO ALTO, Calif.—On Oct. 1 J. Earle May, member of the Pacific Coast Stock Exchange, and Edward S. Arnold will become partners in Mitchum, Jones & Templeton, members of the New York Stock Exchange. Mr. May is President and Mr. Arnold Vice-President of J. Earle May & Co. Incorporated.

Salomon Bros. to Admit Partners

Salomon Bros. & Hutzler, 60 Wall Street, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Ira M. Lechtman, Connie S. Maniatty and Justin T. Ottens to partnership.

Jos. Walker & Sons To Admit Partner

Joseph Walker & Sons, 30 Broad Street, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Fred Hirschhorn Jr. to partnership.

Canadian Consolidation of Gains Reattracts Investment Interest

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
		—Canadian $ § —		
Sterling Trusts Corp. — General fiduciary business	24	2.20	b50	4.4
Stuart (D. A.) Oil Co., Ltd. — Makes extreme friction lubricants and related products	21	1.25	b19	6.6
Supertest Petroleum Corp., Ltd. "Vot. Com." new — Markets petroleum products in Ontario and Quebec	35	0.05	b3.50	1.4
Sylvanite Gold Mines, Ltd. — Ontario gold producer	31	0.06	0.80	7.5
Tamblyn (G.) Ltd. — Operates chain of 128 drug stores	24	1.10	23	4.8
Teck-Hughes Gold Mines, Ltd. — Ontario gold producer	35	0.10	1.60	6.3
Texaco Canada Limited — Oil production, refining and distribution	17	1.60	49¾	3.2
Third Canadian General Investment Trust Ltd. — Investment trust of the management type	32	0.25	b6⅛	4.1
Toronto-Dominion Bank — Operates 544 branches, 541 in Canada, one in New York, Chicago, and one in London, Eng.	103	2.00	52¼	3.8
Toronto Elevators, Ltd. — Grain elevators, feed manufacturing and vegetable oils	22	0.50	b9½	5.3
Toronto General Trusts Corp. — General fiduciary business	77	1.60	b35¾	4.5
Toronto Iron Works, Ltd. — Steel plate products and special metals	15	0.25	b14⅝	1.7
Traders Finance Corp., Ltd. "B" — Purchases installment sales obligations	14	2.40	36	6.7
Union Gas Co. of Canada, Ltd. — Production, storage, transmission and distribution of natural gas	12	0.38	13¼	2.9
United Amusement Corp., Ltd., "A" — Operates 34 motion picture theatres in Montreal and other Quebec cities	36	0.25	b11½	2.2
United Canadian Shares Ltd. — Holding co.—insurance interests	36	0.60	14¼	4.2
United Corporations Ltd. "B" — An investment trust of the management type	20	0.90	b20½	4.4
Upper Canada Mines Ltd. — Ontario gold producer	21	0.03	1.00	3.0
Ventures Ltd. — Holding, investment, promotion, exploration and development co.	12	0.50	23½	2.1
Viau Ltd. new — Biscuits and confectionery	14	†0.75	b13	5.8
Victoria & Grey Trust Co. — Operates as trust company	10	1.40	b35	4.0
Waite Amulet Mines, Ltd. — Quebec copper-zinc producer	21	0.80	6.15	13.0

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

Continued on page 24

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury will be out of the market for only a short time, since the new money raising announcement will be coming along early next month when between $3,000,000,000 and $3,500,000,000 will probably be raised. It is possible that the Government may decide to refund fully the one-year discount bills coming due on Oct. 17 and what is done with this maturity, and the September income tax payments, will determine the actual amount of new money to be obtained.

The "forward refunding" operation of the Treasury is marked down as a very successful one and the final figures, according to advices (estimates say $5 billions or more), will bear this out. It is indicated that most of the small commercial banks in the outlying areas went for this exchange in a big way because of the higher income which helps them bear the cost of their savings deposits. Nonbanking institutions were also reported to have taken well to the offer.

No Further Credit Easing Likely

The money and capital markets are moving in what is being termed a plateau area, with the fall demand for funds keeping short term rates on the firm side, while the "advance refunding" operation of the Treasury is adding to the supply of long-term obligations. And this has increased the yield somewhat on long-term bonds. In spite of the money and credit easing policies of the powers that be, the yields on near-term and long-term securities have moved up a bit and unless there is a real downturn in the economy, which would be termed a recession, it is believed that interest rates will remain pretty much in the pattern which is now unfolding.

In other words, it appears as though the bulk of the money easing has been witnessed for the time being. The monetary authorities evidently are going to wait and get more positive information on the business picture before they move in either direction. Also, the gold holdings of the Federal Reserve System are acting as a check valve on the amount of ease which may take place as far as money and credit is concerned. Nevertheless, it is evident that the course of the economy will determine the future action of the powers that be, as far as the supply of funds and its cost is concerned.

Long Treasury Bonds in Demand

The "forward refunding" offer of the Treasury is still very much in the forefront in spite of the fact that it was closed Tuesday. There is still more than a bit of digesting going on in the long-term refunding bonds, and institutions that have only been very modest buyers of distant maturities of fixed income bearing issues have stepped up their purchases of the recently offered Government 3½s, particularly those due in 1980, with the next important commitments being made in the 3½s due in 1998 and 1990. It appears as though 1980 and 1998 maturities have gained considerable favor with institutional buyers of bonds.

The uncertain pattern of business is making the Government bond market a more popular spot with institutions which have in the past been very much stock minded. There is growing evidence that the near-term issues which have been recent favorites of the former equity buyers are now giving ground to the intermediate and long maturities. The purchases of selected middle and long-term Government obligations evidently is based on the belief that there is going to be a better interest in bonds in the future. This is taken to mean that not a few institutions are and will continue to put a larger amount of their funds not only into Governments, but also into corporates and tax-sheltered bonds.

Enlarged Interest in Bonds

The apparent feeling among many institutional buyers that the time is righ to enlarge positions in bonds is not coming entirely as a surprise to most money market specialists since moderate sized commitments have been made by these institutions for a fair period of time. In addition, there is a developing interest in the sharp discount issues and this goes for corporates and tax-protected obligations as well as Governments. The buying of fixed income obligations could have a very favorable effect upon prices of these obligations without any important change in monetary policy.

Dominick & Dominick to Admit Two

Andrew V. Stout, Jr. John Morrissey

Andrew V. Stout, Jr. and John Morrissey will become general partners in Dominick & Dominick, 14 Wall Street, New York City, members of the New York Stock Exchange, effective Oct. 1, 1960, according to an announcement by the firm.

Mr. Stout has been with the investment banking and brokerage firm since 1957.

Mr. Morrissey, whose primary concern is with the operational departments of the firm, has been with Dominick & Dominick for 34 years.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Philosophy to Work and Live By

There are times when everyone who has his or her eyes open to the world around them may become frustrated and disturbed. A friend of mine put it this way when we were talking over a cup of coffee the other morning, "Just keep busy, don't sit and let your mind start off on its own because when you start to think like that, you're in trouble son." I've read a bit of the medieval history of western civilization lately, just to refresh a long forgotten memory of some of the school day studies, and it has been a slow journey these last two thousand years of so-called civilization.

Only two decades ago the greatest mass slaughter of mankind was perpetrated before the eyes of the world and the gas chamber murders of millions of men, women and children we have just witnessed could not have been excelled in their inhumanity by Attila or Ghengis Khan. The Communist scourge that is attempting to engulf the world, the threat of atomic destruction, the paternalism, waste, indifference, and inefficiency of government in most of the free world, the ignorance and misery that abounds in the teeming Orient, India and Africa, are not pleasant to contemplate.

In addition to these normal woes of mankind (and I say the situation hasn't bettered much on a worldwide basis in the past two thousand years), we have a breakdown in our own national morality here in the United States. Laziness, selfishness, and greed are everywhere in evidence. All you have to do is read the daily paper, or attempt to get an honest man to fix your television set or your automobile. The kids are bawling out the parents, the schools are yelling for better blackboards (or is it green ones they want now?), the teachers don't get enough pay, the labor bosses haven't stripped American industry of all of its profit yet but they are trying, the foreigners continue to ask for more billions in gifts from South America to behind the Iron Curtain (and the politicians send it to them). Do you want some more? Well here is the clincher, you salesmen who are supposed to make your living offering advice on sound investments are now expected to be touts for any cat and dog electronic, space, missile, chemical, vending machine, land stock gamble, or fiber glass boat company stock that is going to MOVE. It doesn't matter if the thing is selling at 10, 20, 30, 40, 50 or 100 times its earnings and 1,000% of its book value, or whether the outfit has 10 bucks in cash and owes 10 million, the question you must answer is, "Is it going to MOVE?" And, boy, you had better be right.

Prescription

If it looks like this to you some morning and you wonder how in the name of common sense you are going to your office and advise the few faithful, believing customers you may have to work with today, here are a few suggestions that may help regain your perspective.

Check up on your liver.

Take a little light exercise, try deep breathing all the way to the office.

Remember it has been this way for a long time and there is another side of the page. For every action there is an equal and positive reaction in nature, in life, and in physics as stated by the great physicist, Sir Isaac Newton. Markets move up, then down, waste and profligacy are eventually corrected and human progress comes so slowly it is almost imperceptible. What is, and will be, we cannot very much change as of our own individual selves. We can learn to keep our balance. As salesmen of investments, and advisors to our clients, we should not become emotionally warped in making our calculations. Take the shorter view of only a few years ahead—not one of centuries.

A Way of Life

One of the best things I have ever read is a little book published by The Golden Hind Press in Madison, N. J., entitled "A Way of Life." It is a reprint of a lecture by the great William Osler to Yale students on the evening of Sunday, April 20, 1913. I cannot do justice to the style and the presentation but in brief he gave these young men this creed to live by. Put a fence around today—eliminate yesterday and tomorrow from your thoughts. In other words, get up in the morning and do today what today demands. Or as Goethe put it: "What each day needs that thou shalt ask, each day will set its proper task." There are 24 hours in that day, don't hurry and scurry, take one thing at a time and do it well. Concentrate. Don't be too much concerned about the big plan for your life—as to where you will be 20 years from now. Get on the road you want to travel and by doing everything as well as you can, the highway will open to you. One success will bring another. Live modestly, don't overdo liquor, nicotine, or the satisfaction of any other human appetites such as sex or food. YOU WILL GRADUALLY ACQUIRE POWER IN WHATEVER YOU DO BY LONG PRACTICE AND AT THE EXPENSE OF MANY MISTAKES. And as he finished this great address, may I quote for you as he did, these lines from Horace:

Happy the man — and Happy he alone,
He who can call today his own,
He who secure within can say,
Tomorrow, do thy worst — for I have lived today.

With Broad & Wall Corp.

Broad & Wall Corporation, 101 Park Avenue, New York City, announced that Thomas W. Coletti, Jr., Michael Pocaterra and Rudolf Hamar have become associated with it as Account Executives. All three were formerly with James D. O'Donnell & Co., Inc.

Broad & Wall Corporation makes loans on stocks and bonds and other collateral.

Two With Siegler

CLEVELAND, Ohio—Leonard S. Brown and David L. Weissberg have joined the staff of Edward N. Siegler & Co., Union Commerce Building, members of the Midwest Stock Exchange.

Canadian Consolidation of Gains Reattracts Investment Interest

Continued from page 23

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦ —Canadian $ § —	Approx. % Yield Based on Paymts. to June 30, 1960
Walker (Hiram)-Gooderham & Worts, Ltd. Holding company—extensive liquor interests	25	1.75	36¼	4.8
Westeel Products Ltd. Manufactures sheet metal	20	0.80	13⅛	6.1
Western Canada Breweries, Ltd. Serves four western provinces	24	1.20	32½	3.7
Western Plywood Co. Ltd. "B" Manufactures and sells veneer & plywood. Plant in Vancouver	13	0.75	b11½	6.5
Westminster Paper Co., Ltd. "B" Common Wide range of paper specialty products	28	0.80	34	2.4
Weston (George) Ltd. "B" Fine biscuits, bread, cakes, confectionery, etc.	31	0.70	35	2.0
Wood Alexander Ltd. Operates wholesale hardware business	10	0.30	b4.25	7.1
Wood, John, Industries Ltd. "A" Holding Co. Subs. Canada & U. S. mfr. water heaters, oil trade equipment, etc.	18	1.60	25	6.4
Woodward Stores (1947) Ltd. A holding company which operates seven departmental stores in western Canada through subsidiaries	13	0.40	16	2.5
Zeller's Ltd. Operates chain of 61 specialty stores across Canada	20	1.25	b35	3.6

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

TABLE II

CANADIAN

(Listed and Unlisted)

Common Stocks

On Which
CONSECUTIVE CASH
DIVIDENDS

Have Been Paid From

5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦ —Canadian $ § —	Approx. % Yield Based on Paymts. to June 30, 1960
American Nepheline Ltd. Mines & processes nepheline syenite for use in glass and ceramic trade, in Ontario	8	0.02	b0.41	4.9
Anglo Canadian Oils Ltd. Owns & operates refinery in Brandon, Man. Distributes and sells through company owned stations & agents	6	0.75	b27	2.8
Anglo Scandinavian Investment Corp. of Canada Operates as an investment company	5	0.25	a8	3.1
Anthes-Imperial Co., Ltd. Manufactures and distributes pipe and fittings for soil, water and air. Also boilers, radiators and steel scaffolding	6	1.41	b27½	5.1
Atlas Steels Ltd. Major producer of wide range of alloy & tool steels & stainless steel with plant at Welland, Ont. Subsidiaries operate in England, Mexico, has interest in similar operation in Belgium.	5	1.25	20⅜	6.1
Bowes Company Ltd. Manufacturers, importers and wholesalers of confectioners' and bakers' supplies	6	1.50	b30	5.0
Bralorne Pioneer Mines Ltd. Owns 2 producing gold mines, Cadwallader Creek, Bridge River area British Columbia	6	0.40	4.90	8.2

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.
a Asked.

Canadian Consolidation of Gains Reattracts Investment Interest

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
British Columbia Packers Ltd. "B" — Packs salmon, clams, oysters, etc. with plants in British Columbia, Nova Scotia and Manitoba. Brand names are "Clover Leaf" and "Rupert Brand".	6	1.00	b14	7.1
Brown Co. — Owns 10 mills manufacturing pulp, paper, fibre conduit, chemicals and sawmill products	6	0.15	b15	1.0
Bulloch's Ltd. — Manufactures warm air furnaces using gas, oil or coal with plant in Winnipeg.	5	0.35	b4.10	8.5
Campbell Red Lake Mines Ltd. — Ontario gold producer	9	0.40	10	4.0
Canadian Arena Co. — Operates Montreal Forum	5	4.00	b160	2.5
Canadian General Securities Ltd. "B" — Investment holding company	6	0.75	b17	4.4
Canadian Ice Machine Co. Ltd. — Engaged in air-conditioning and refrigeration field from manufacturing to installations	9	0.10	b6	1.7
Carter, James B. Ltd. — Manufactures & markets automatic electrical, farm & heat transfer products & acts as exclusive representative for allied products. Plant in Winnipeg.	6	2.00	b45	4.4

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Combined Enterprises Ltd. — Owns & operates companies mfg. food flavors, paints, industrial rubber goods, moulded drug sundries, elevator gears & machinery. Plants in Montreal, Toronto and Farnham, Ont.	8	0.60	8½	7.1
Consolidated Bakeries of Canada Ltd. — Holding Co. through subs. operates 19 bakeries in Ontario & Quebec	8	0.50	b7⅞	6.3
Consolidated Discovery Y'knife Mines Ltd. — Gold producer, Yellowknife Dist., N. W. T.	7	0.24	3.05	7.9
Craig Bit Co. Ltd. — Manufactures and sells detachable bits for rock drilling and carbide drill rods	6	0.12	b1.90	6.3
Dominion Electrohome Industries Ltd. — Manufactures and sells radios, phonographs, television, electric fans, electric motors and allied products	6	0.20	b6	3.3
Dominion Scottish Investments Ltd. — Investment trust of management type	9	1.00	b29½	3.4
DuPont of Canada Ltd. — Manufactures chemicals, textile fibres, commercial explosives, etc.	7	0.50	22¼	2.2
Edmonton Concrete Block Co. Ltd. — Manufactures concrete blocks and lightweight aggregate. Capacity is 20,000 8-in. blocks per day	6	0.20	3.15	6.3
Giant Yellowknife Gold Mines Ltd. — Gold producer Yellowknife area, N. W. T.	8	0.45	9.00	5.0

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ § —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Hi-Tower Drilling Co. Ltd. — Operates as contract driller for oil & gas wells. Owns 9 modern rigs capable of drilling from 4500 ft. to 10,000 ft.	5	0.70	b8	8.8
Hughes-Owens Co. Ltd. "B" — Mfg. & retailer of drafting equip. scientific instruments & artists' supplies	8	0.40	14	2.9
Interprovincial Building Credits, Ltd. — Home improvements financing	9	0.35	b5¾	6.1
Interprovincial Pipe Line Co. — Owns and operates crude oil pipeline from Red Water, Alta. to Superior, Wis. and Sarnia, Ont. 1,930 miles	8	2.40	53½	4.5
Jamaica Public Service, Ltd. — Holding company. Holds all common stock of Jamaica Public Service Co. Ltd. which serves Jamaica with light & power from 2 steam electric, 5 hydro-electric and 4 diesel power generating stations. Capacity 66,645 hp.	8	0.85	29½	2.9
Jockey Club Ltd. — Operates several horse race tracks in Ontario	9	0.10	2.15	4.7
Manitoba and Saskatchewan Coal Co. Ltd. "B" — Mines and wholesales lignite coal. Capacity: 850,000 tons per year.	6	0.40	b6	6.7
Mexican Light & Pr. Co. Ltd. — Directly and through subsidiaries operates lighting and power systems in Mexico City	7	†1.00	19¼	5.2
New Dickenson Mines Ltd. — Gold producer Northern Ontario	7	0.13	2.65	4.9
Northern Quebec Power Co. Ltd. — Generates & distributes power in N. W. Quebec mining areas. Operates five electrical merchandise stores. Servies 15,574 customers.	5	1.60	b24½	6.5

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

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Astrex Common Stock Offered

Public offering of 100,000 shares of the common stock of Astrex, Inc., at $4 per share was made on Sept. 21 by Clayton Securities Corp. and Maltz, Greenwald & Co.

Net proceeds will be used in part to repay outstanding obligations, to relocate the principal offices of the company, for advertising and for working capital.

Astrex, Inc., was organized in New York, N. Y., in June of this year for the purpose of acquiring all of the outstanding stock of AST Co., Inc. and Dutrex Industries, Inc. of New York. Both are now wholly-owned subsidiaries. AST Co. and Dutrex are located in separate facilities and will continue to operate as separate entities.

Dutrex, under contractual arrangements with Allen B. Du Mont Laboratories, Inc., is the exclusive merchandising source and supply agency for receiving tubes and television picture tubes marketed under the brand name **Du Mont (ABD)**. AST Co. is engaged in the business of distributing industrial and special purpose electronic tubes, flight instruments, electronic components, precision ball bearings and certain miscellaneous equipment used principally in the electronics, aircraft and missile industries, which items AST Co. purchases principally from prime contractors holding terminated government contracts.

For the year ended June 30, 1960, AST Co. and Dutrex Industries reported consolidated net income of $114,538, equal to 40¢ per common share, based upon the number of shares outstanding prior to the current offering.

Upon conclusion of the current financing, capitalization will consist of 6% notes in the amount of $106,500 and 335,800 shares of common stock (par value 50¢ per share).

Canadian Consolidation of Gains Reattracts Investment Interest

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1960 —Canadian $ ‡ —	Quotation June 30, 1960♦	Approx. % Yield Based on Paymts. to June 30, 1960
Northland Utilities Ltd. Distributes electric power and gas to several cities in Western Can.	9	0.525	b16	3.3
Northwest Industries Ltd. Engages in overhaul and repair of aircraft, aircraft instruments and accessories	8	0.25	a3.75	6.7
Parker Drilling Co. of Canada Ltd. Owns & operates oil drilling rigs in Western Canada	8	0.25	3.30	7.6
Rapid, Grip & Batten Ltd. Photo engravings, electrotypes, commercial photography, etc.	6	0.60	b15	4.0
Salada-Shirriff-Horsey Ltd. Directly & through subsidiaries manufactures, processes & sell extensive variety of food products. Has four plants in Canada, four in U. S. A. and one in Jamaica.	5	0.24	9¾	2.5
Shop & Save (1957) Ltd. Operates wholesale grocery from own warehouse in Montreal and operates fleet of trucks to ship to retailers. Company is the franchised supply depot for over 150 IGA stores in Montreal area.	5	0.225	8¼	2.7
Switson Industries Ltd. Mfgs. vacuum cleaners, floor polishers, gas heaters, furnaces, etc.	8	0.28	b2.65	10.6
United Keno Hill Mines Ltd. Silver-lead-zinc-cadmium producer, Yukon	7	0.32	6.05	5.3
Western Canada Steel Ltd. Holding company. Subsidiaries producers small steel bars, small structural shapes, nuts, bolts, rivets, spikes and bands. Company also has interest in Hawaiian Western steel Ltd. Total capacity of subsidiaries 182,000 tons.	6	0.30	6¼	4.8

♦ Quotations represent June 30, 1960 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1960.
‡ Add current Canadian Exchange Rate.
a Asked.
b Bid.

Croft Carpet Common Sold

Pursuant to an Aug. 29 offering circular, A. J. Frederick Co., Inc., 37 Wall St., New York City, publicly offered and sold 74,750 shares of Croft Carpet Mills, Inc., 10¢ par common stock at $4 per share.

Transfer Agent: First National Bank of Jersey City, Jersey City, N. J. Registrar: Registrar and Transfer Co., Jersey City, N. J.

The underwriter has committed itself to purchase 25,000 of the shares. The remainder are offered on an all-or-none basis; therefore, there is no assurance that more than 25,000 shares will be sold. If all the shares are sold, the net proceeds to the company will be approximately $239,422.50. It is the intention of the company to use such proceeds in the order as follows: approximately $139,422.50 will initially be added to working capital, of which approximately $119,422.50 will be used for addition to inventory, approximately $20,000 will be used for advertising and sales promotion, and the balance of $100,000 will be used to reduce the current portion of notes payable. The company reserves the right to vary the application of funds or order thereof aforesaid if it appears advisable to do so, and if any portion of the net proceeds is not required for the purposes above stated, such portion will be used for other proper corporate purposes.

Croft Carpet Mills, Inc., is a successor to Croft Chenille Co., a partnership of A. M. Croft, M. E. Croft and Charles R. Haun, formed in Chattanooga, Tenn. in 1945. It was organized under the laws of the State of Tennessee on July 5, 1946, as Croft Chenille Co., Inc. The company manufactures and distributes tufted carpets.

The tufted process is a comparatively new method of carpet and rug construction. It is a process by means of which pile yarns are sewn to a broad fabric backing by wide multiple needled machines. The backing is generally made of jute, but cotton canvas is also used. After the tufting is completed, the yarn ends are secured by a coating of latex on the back of the carpet.

Prior to 1950, tufted materials were not a significant factor in the soft floor covering industry, most rugs and carpets being woven. During the last decade, use of the tufted process has grown so that in 1959 it constituted over 50% of total broadloom yardage produced.

During the period from July 1, 1959 to June 3, 1960, the company had an operating loss of $194,113, whereas it had made a profit during each of the preceding six years. This loss was due to the decision of management to dispose of large quantities of inventory that were deemed to be not readily merchandisable in the current market.

Harry Fischer Opens

(Special to The Financial Chronicle)

SHERMAN OAKS, Calif.—Harry L. Fischer is conducting a securities business from offices at 3617 Longridge Avenue. He was previously with Binder & Co., Inc.

Robert C. Frazier Opens

CLAYTON, N. J.—Robert C. Frazier is conducting a securities business from offices at 107 Maple Street.

Graw Opens Office

HILLSIDE, N. J. — Samuel L. Graw is conducting a securities business from offices at 257 Belleview Terrace.

Del Hilvers Opens

ROCKFORD, Ill. — Del Hilvers has opened offices at 206 South Main Street to engage in a securities business. He was formerly with S. A. Sandeen & Co.

Canada's New Railroads Spur Resources Growth

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Labrador over the most convenient route to the Quebec border and Arnaud Railway, in turn, would build a line from at or near Pointe Noire to connect with the Wabush Lake Railway at the border. It may help to understand this arrangement if it is realized that Wabush Lake Railway holds its charter from the Government of Newfoundland and Carol Lake Railway from the Government of Quebec.

Meanwhile, also Canadian National Railways has agreed to build a connecting line to provide shipping facilities for iron ore deposits in another Quebec iron belt in the vicinity of Lac Albanel. This line could be built as an extension of the CNR tracks in to Chibougamau. Or it might be constructed in a more nearly straight line, a distance of some 125 miles, from mine to Port Alfred, where the ores would, according to present plans, be loaded on Aluminium Ltd. bauxite carriers for shipment to market. Aluminium gets its bauxite from Jamaica in the West Indies and its oreboats now sail empty on the return voyage.

Most talked about of the new rail lines contemplated for the western part of the country is the 418-437-mile Great Slave Lake Railway which would run from northern Alberta in to the Pine Point area of Great Slave Lake, where there is a great lead-zinc ore body to be developed.

What is holding up this railway project at the moment—or at least is giving the appearance of holding it up—is the indecision of the Royal Commission appointed to select a route for the line. Each of the three men on the commission has come up with a recommendation of his own. Perhaps there is no way out of this situation since the question deserves the fullest consideration before a final decision is made. One effect of the commission's indecision, of course, is to place at the door of the ministers of government and members of Parliament the responsibility for making a choice, which, except for technical or engineering considerations, is probably where it belongs. This situation is discussed in more detail at a later point in this article.

However, in a much more advanced stage of engineering—there has even been some preliminary construction on it—is the new 697-mile Pacific Great Northern Railway, which is to run northward through the interior of British Columbia on to the Yukon border, where, ultimately, it is believed, it will either extend or connect with another railway up through the Yukon into Alaska.

Inco's Manitoba Line

In central Canada, just a few weeks ago, the CNR completed a 52-mile spur from Optic Lake in to a new mine of the Hudson Bay Mining & Smelting Co. at Chisel Lake, all in Manitoba. In the same province in 1957 the CNR completed a 31-mile spur line from Sipiwesk on its Hudson Bay line to the new town of Thompson, site of International Nickel Co. of Canada's big new nickel mine which is due to get into production early next year. Now Inco itself plans a 22-mile extension of CNR's Thompson spur when it is ready to open a second mine in that same area.

These 1500-1650 miles of new rail lines—the exact mileage depending on the selection of some alternate routes already indicated—will, of course, be additional to the 1504 miles of track constructed in Canada since 1953, including the 325-mile QNS&L and the CNR Thompson line to which reference has already been made. Nearly half of these 1504 miles were laid by the CNR, but the Pacific Great Eastern installed 365 miles in its new extension to Peace River. The Canadian Pacific Railway installed 57 miles of track in to some mines in Ontario.

The more important new extensions of the CNR since 1953 were of course its new 144-mile line in Manitoba from Sherridon to the new nickel-copper mine of Sherritt Gordon Mines Ltd. at Lynn Lake and also, its new 161-mile line in Quebec from Beattyville and new 133-mile line from St. Felicien, both to the big newly discovered mineral deposits, principally copper, and vast timber resources at Chibougamau a few hundred miles north of Montreal.

Most all these new lines — in operation, just completed, under construction, and planned—are intended principally to serve new mining areas, including mining towns, it should be noted. All these tracks in to big new mines are of course a measure of the tremendous growth in Canada's mining industry. Most all lines point northward or serve the north, too. In large part, thus, these lines, even if only secondarily, also serve to open up for development in other ways, too, vast stretches of Canadian territories which, up to now, have remained very largely in primitive condition.

One great discovery that has been made—and this comes as a surprise even to Canadians who are used to living in northern climates — that people can live comfortably under the conditions prevailing in regions bordering on the northern territories if not in the territories themselves and that adequate means exist in those areas to support life on a high level.

Wabush Lake Railway

The uncertainties which exist with respect to the railway plans of the Wabush Iron Co. stem in part from the uncertainties of the same company with respect to its plans for doing any mining at all in the Wabush Lake region of western Labrador.

In hearings held over the spring and summer on a joint petition of Wabush Iron's two railways, perhaps embryonic railways, it should be said — Wabush Lake and Arnaud—to the Government of Canada to bring them under the jurisdiction of Parliament at Ottawa, the Railway Act of Canada and the Board of Transport Commissioners, Walter Williams of Cleveland, director of Pickands Mather & Co., which has a big interest in Wabush Iron, said that Wabush Lake Railway had not as yet constructed tracks from Northern Land track to its proposed plant site south of Wabush Narrows and will not until the decision has been made to go ahead with the project.

Of course, Wabush Iron has built one-and-a-quarter mile of track to serve its pilot plant near the proposed mine site. Both Wabush Lake and Carol Lake Railways must build their own connecting rail lines from the Northern Land track in to their respective mines.

It should be noted, however, that none of this hesitancy with regard to Wabush Iron's plans was at all evident in the remarks of A. S. Pattilo, Q. C., counsel for the Wabush Iron interests, before the Parliamentary committees. Urging speed in consideration of the petition, he said Wabush Iron was not only investing $200 million on its mining project in Quebec-

Labrador but needed to get it in operation by 1965 if it wasn't going to lose some of its rights in it. Wabush Iron holds title to a big ore deposit under a lease from the Javelin Corp., a mining development company.

Wabush Lake and Arnaud Railways presented their petition — which was granted in July—partly as the result of a dispute between Wabush and IOC over shipping rates which would be charged by QNS&L, owned by IOC, for that part of the haul for Wabush Iron ores from the mines to the St. Lawrence River over QNS&L track, that is, from Mile 224 of the QNS&L down to the point where the Wabush Iron ores would move over the Arnaud Railway track to Pointe Noire.

Disagreement Over Rates

Testimony presented to the Parliamentary committee disclosed that whereas Wabush Iron considered $1.25 a ton as a fair rate for haulage of its ores over 218 miles of QNS&L track, QNS&L expected something around $2.50 a ton. In view of the fact Wabush Iron has been contemplating shipments of an eventual 10 million tons of concentrates a year, that company's thinking is that it might be cheaper to build its own railroad line down to the St. Lawrence rather than depend on QNS&L help.

Wabush Railway anyway, Mr. Pattilo told the House of Commons Committee on Railways, Canals and Telegraph Lines, wants really to supply its own equipment for the task of hauling Wabush Iron ores. This equipment would include locomotives and all rolling stock, such as ore cars.

John L. O'Brien, Q. C., solicitor for the Carol Lake Railway, appearing before the Senate's Standing Committee on Transport and Communications in Ottawa in opposition to the petition of the Wabush Lake and Arnaud Railways, also objected to it on grounds other than just matters dealing with the establishment of rates. In the agreements between Wabush and Carol leading to the formation of Northern Land, the understanding was that the Carol Lake Railway, as also Wabush Lake, would obtain running rights over Northern Land in perpetuity as provincial railroads.

Federalizing the Wabush Lake Railway along with Arnaud Railway, however, to bring these lines under the jurisdiction of the Board of Transport for the determination of shipping rates and so under the Railway Act in this and in other respects would limit these running rights to 21 years, Mr. OBrien noted. When the hearings moved to the Commons committee and Mr. Pattilo said Wabush Lake Railway wanted to run its own trains all the way from mine to Pointe Noire, however, the matter of running rights for Wabush Railway on QNS&L tracks likewise came into question.

Wabush management has insisted it must have knowledge of what its shipping costs are to be in order to obtain insurance company financing for its big mining project. Now that the Wabush Lake and Arnaud petition to the Government has been granted, it is Mr. Pattilo's plans to go before the Board of Transport on an alternative basis, seeking what he can obtain in running rights for his clients over QNS&L tracks, investigating what is possible in the form of a joint tariff from the Wabush Lake mines to the Pointe Noire terminal where Wabush Lake Railway would be originators on the project, and also reviewing what the cost situation would look like with Wabush Iron as a shipper.

Whether or not, Wabush Railway makes use of Northern Land tracks in to Wabush Narrows from Mile 224 of the QNS&L, Carol Lake Railway will be very busy running back and forth over this route. Arthur B. Homer, Chairman of Bethlehem Steel Corp., which has a 15% interest in IOC, has disclosed that a decision has definitely been made to go ahead with the Carol Lake mining project now that pilot plant tests have been successfully met. Mr. O'Brien himself told the Commons committee that it was about two years ago his clients decided to go ahead with the Carol Lake project.

Plan Extension to Julian Lake

Wabush management, in buying 100% rights of the Javelin Corp. in Wabush Lake Railway, made a promise—incorporated as a clause in the contract—that it would build at its own expense, an additional 11 miles or so of track in to Javelin's nearby Julian Lake iron ore deposit, if and when Javelin is ready to commence production there. As now contemplated, the Julian Lake rail spur would run off from Mile 25 of the Northern Land track. Traffic over this spur would operate as part of the Wabush Lake Railway system.

Work on the new 193-mile Quebec Cartier Railway is fast approaching completion. All 17 bridges, including two trestles, required have been erected and four of five tunnels have been completed. Track laying has progressed to Mile 110 at the rate of some 6,000 to 7,000 feet a day and, beyond the end of steel, the grading is ready for another 30 to 40 miles of track and the right of way for the balance of the line has been cleared. The railroad should start running around Dec. 1.

New town sites are being prepared to serve the needs of the mining project at each end of the railway line. At Port Cartier, on the St. Lawrence River, 197 houses are completed and occupied. A 50-room hotel has been in business there since early last December. The first school was opened there last January and a second is under construction and plans are going forward for the erection of churches.

The new town of Gagnon at the upper end of the line is also progressing with some 150 housing units completed and the erection of a 50-room hotel presently under way. A new contract for an additional 260 housing units has been recently awarded, including seven blocks of 10 two-bedroom apartment units. A school is under construction. A power house on the Hart-Jaune River has just been completed and the first of three 20,000 h. p. generators being installed there has begun to turn. The other two will shortly be in operation.

Quebec Cartier Railway

At the mine site, the primary crusher building and the conveyor tunnel to the concentrator are almost completed. The erection of the concentrator building itself has been completed, however, and installation of equipment is well under way there. The maintenance shop and warehouse are occupied while other related facilities are progressing with the main construction which is within the original schedule. The operation of four mill sections is expected shortly and the remaining eight by January 1 next.

Thus, the mining development —which began during the month of August last year with large production equipment — is now going ahead at the contemplated rate. The pre-production program calls for the removal of several million tons of material and it is expected now, with the availability of power, that this development will be achieved on time.

At the harbor, being cut out of solid rock near the town of Port Cartier, some 4 million yards of rock have already been excavated. Circular sheet pile cells and a cofferdam have been constructed which permits the digging of the entrance channel in the dry. While excavation work has been delayed somewhat by a recent change of contractor, the work on the terminal facilities is progressing on schedule.

The project, in its entirety, is now scheduled for completion early in 1961. About 60% of the production is expected to be shipped to steel mills in the United States and the balance to Canadian and European mills.

The magnitude of this Quebec Cartier project is indicated by the fact that, while initially ore-handling facilities at Port Cartier will be adequate to unload, practically automatically from rail cars to ore vessels, 4,040 tons of concentrates per hour or about 8 million tons a year, the buildings and other facilities at the port have been designed for easy expansion to handle five times that much annually. The Quebec Cartier Railway, in operation, will have 17 diesel-units for traction power, 500 100-ton ore cars, 165 general service freight cars and other equipment.

CNR Line to Lac Albanel

The 125-mile railway which, it is understood, the Canadian National Railways has agreed to build and operate from Lac Albanel, will be hauling iron ore from mines to be developed by Albanel Minerals Ltd., owned jointly by Cleveland Cliffs Iron Ore Co. of Cleveland and M. J. O'Brien Ltd. of Toronto, in the region of the lake, north of Chibougamau, in the Province of Quebec down to Port Alfred on the upper Saguenay River for shipment by water from there to world markets.

These Lac Albanel ore deposits, located 225 miles west of Quebec Cartier's project, are reliably reported to contain sufficient open-pit reserves to produce at least 200 million tons of 64% iron pellets. Under present plans, the raw ores will be concentrated and beneficiated into pellets at the mine site. Probably around six or seven years of preparatory work would be required to bring this undertaking into full production.

As previously noted, the reason the question of the best route for the proposed Great Slave Lake Railway is still left very much in doubt is that the Royal Commission named early in June of last year by the Government at Ottawa to study the respective merits of the alternative routes could come to no one single conclusion.

In fact, each member of the three-man commission had a very definite idea of his own so that, when the Commission turned in its report this summer, actually, there were three separate reports submitted, even if under one cover.

Serious differences of opinion arose over the alleged advantages of a 418-mile eastern route over a 437-mile western, and vice versa, with one commissioner, W. H. Gainer, arguing the case for the eastern route, and another John Anderson-Thomson, the western.

While it was generally understood that the commission was to concentrate on Pine Point on the south shore of Great Slave Lake as the northern terminus for the railway, the only point on which the commissioners could agree was that Hay River, not Pine Point, was to be preferred for the northern terminus. A short spur rail line could be built in to Pine Point from there.

Pine Point has figured prominently in public discussion of the Great Slave Lake Railway because there is a huge lead-zinc ore deposit there awaiting development. According to the metal trades, a railroad must be built in to this property before much can be done with it. Justice M. E. Manning, Chairman of the Commission, however, while generally favoring the western route, suggested more extensive use of the Mackenzie Highway, now running from Grimshaw to Hay River, including its use by Consolidated Smelting & Refining Co. for its Pine Point ore concentrates, instead of building a railway at all.

Great Slave Lake Railway

Politics is involved in discussions on the railway, since John Diefenbaker, Canada's Prime Minister, made construction of the line a campaign issue when he was running for office. He promised the railway in order to aid northern economic development. He is thus now in the uncomfortable position of either going ahead with construction of the line or failing to carry out a campaign pledge. Advocates of the line are giving him no rest.

The commission's preference for Hay River as northern terminus for the line is of course in line with the Prime Minister's desire to open up the north country for development. Hay River with its natural harbor was regarded by the commissioners as being more directly in line with any flow of traffic which might develop northward beyond Great Slave Lake, traffic which could involve an extension of the railway itself into the Mackenzie River Valley all the way to the Arctic Sea.

The suggested eastern and western routes would both be built as extensions of the tracks of the Northern Alberta Railway from Edmonton. The eastern route would be an extension from Waterways from which barges now carry freight over the Athabasca River to Athabasca Lake. The western route would be an extension from Peace River near Grimshaw from which the Mackenzie Highway now runs to Hay River. The western route would thus run parallel to the Mackenzie Highway.

Chief reason for selecting the eastern route, Dr. Gainer said, was that it would shorten by 200 miles any spur line road or rail connection that could be made from the section of the mineral-rich Canadian Shield in the area as new ore bodies might be discovered and transportation would be needed to get the ores or concentrates out to market. The eastern route would lie just adjacent to the Shield which would be to the east of it.

Initially of course a railway built over the eastern route would be deriving substantial revenues from traffic in Pine Point lead and

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zinc ore concentrates which, it has been estimated, would total around 215,000 tons annually. Also, the railway could be expected, Dr. Gainer believed, to absorb much if not all of the 100,000 tons of inbound freight now being carried in barges over the Athabasca River and could also probably obtain 10,000 additional tons of general freight and petroleum products in the Fort Smith area.

Case for Western Route

John Anderson-Thomson, however, made just as convincing a case for the western route, mainly on the contention that a railway to the north in this particular part of the country should also give service and encouragement to farming and agriculture in general. A railway over the western route would certainly encourage development of the timber resources of the region.

The potential in forest products as deduced from figures supplied by the Department of Lands and Forests of the Province of Alberta, Dr. Gainer noted, would indicate a proportion of three to two in favor of the western route. The pulp potential alone on this route indicates that six pulp mills of 500 tons per day could operate and be served by this western railway, he said.

Also, a railway along the western route could provide competition for trucking along the Mackenzie Highway that, he pointed out, would reduce freight charges for the north. A present population of some 8,000 people who have long been promised a railway would be served by the western route, he noted.

To illustrate and emphasize what he had in mind, Anderson-Thomson quoted the following passage from the 1955 report of the Royal Commission on Canada's Economic Prospects:

"A railway to Great Slave Lake will be one of the great development railroads of the country. . . . This railway is quite different from most branch lines constructed in recent years which were destined to serve one mine or a group of mines; its purpose is to open up a whole new region. The fact that there happens to be potential mine of great value at its northern terminus is a piece of great good fortune. . . ."

Railway Beyond Lynn Lake?

Anderson-Thomson noted that with a railway spur to the eastern extremity of the lead-zinc ore body at Pine Point, a road or a railroad from there would meet the transportation needs of any orebody that might be discovered to the east of the Slave River. However, he qualified his statement by pointing out that the orebody would have to lie not too far to the east of the Slave River and also that it would have to be a base metal orebody. Otherwise, he contended, if the object were to build a railway to serve mining developments on the Shield primarily, it might be cheaper to build a railway from Lynn Lake.

Justice Manning in his report said he was unable to see why the railway was at all necessary for development of a mine at Pine Point. Concentrates from the mine could be hauled over the Mackenzie Highway by truck at a substantial profit, he contended. It would not be difficult either to extend the present gravel highway from Hay River in to the mine site at the point, he noted.

A contrary view of the use of the road for hauling heavy lead-zinc concentrates was presented recently to the House of Commons at Ottawa by Northern Affairs Minister Alvin Hamilton. Actually expressing annoyance at the indecision of the three-man commission on the matter of the railway route, he strongly questioned the advisability of use of a highway for hauling out these ores. Once traffic over the road exceeded 95,000 tons a year, he observed, it would be cheaper to build the railway.

Justice Manning in his report noted that the cost of building a railway would be less along the western route than over the eastern. In fact, with so little known about building conditions along the eastern route, the cost of constructing the line that way might be much greater than now estimated. Mr. Hamilton told Commons the railway would cost an estimated $65 million — same figure as given by Anderson-Thomson for the western route—of which $10 million would be paid in the form of a subsidy by Ottawa.

In British Columbia, it is the Wenner-Gren British Columbia Development Co. Ltd., representing Canadian as well as British capital, that is going ahead with plans to build the Pacific Great Northern Railway, a 697.15-mile line which would really consist of an extension of the Pacific Great Eastern tracks to the Yukon border where, it is expected, a railway will extend on through to Alaska, the new state of the United States union.

Pacific Great Northern Railway

Initially, however, the Pacific Great Northern is not contemplated as a bridge between two widely-separated sections of country but is being considered on its own merits as a railway which will prove useful for the hauling of the vast quantities of timber, cut lumber and rich ores in British Columbia itself now awaiting adequate transportation service to be taken to world markets. Eventually, of course, there is no question but that the PGN would prove an indespensable link in an important commercial, as well as strategic, railway system tying in the entire northeastern part of the continent with the rest of both Canada and the United States.

Preliminary engineering studies already indicate a route for the PGN through a series of valleys, running in a general north-south direction, west and parallel to the so-called Rocky Mountain Trench at altitudes ranging generally from 2,000 to 3,500 feet above sea level with numerous rivers and lakes navigable to small boats. The Trench itself would be the most likely site for the railway except for the fact that it is now proposed to utilize this great natural geological depression with its Parsnip and Finlay Rivers, flowing into the Peace River, as a reservoir for a huge hydroelectric project.

Even at the start of the engineering reconnaissance, existing topographic maps indicated a possible location could be selected for the new railway for which the ruling grades and curvature would not be greater than those existing on the new recent extensions of the Pacific Great Eastern Railway, namely, a maximum grade of 1.75% and a curvature not greater than 12 degrees. A limited section over Gnat Summit, between the Stikine and Tanzilla Rivers, seemed to present at least one serious difficulty for keeping fully compensated ascending and descending gradients within this limit, though no problem was seen for meeting the curvature requirements here.

To circumvent the worst of the difficulties at Gnat, however, it is proposed to construct 70 miles of track, instead of the 43 which would be required to go directly from the Stikine River to Thirty Mile Lake. The additional mileage would be required primarily to get around the precipitous Grand Canyon of the Stikine which is from 1,000 feet to 2,000 feet deep for a length of 35 miles and wholly impracticable as a railway route.

Despite the length of the proposed railway and the rough mountainous terrain through which it would pass, few bridges of major magnitude will be required. Only two of them—those which will span the Squingula and Skeena Rivers—will be comparable in size to the bridges built for the Pacific Great Eastern over the Fraser River at Prince George and over the Peace River at Taylot Flats. Also not very many tunnels must be constructed.

In the 320-mile section of the new line from the PGE terminus near Summit Lake to Damdochax Lake and River, a tunnel may be necessary through a steep rock bluff along Takla Lake and timber-trestle bridges will be required to cross such large streams as the Kuzkwa, Kazchak, Matazutlo, Leo and Maclaing.

In the 197-mile section beyond Damdachax Lake and River to Thirty Mile Lake, a rock-cut and two short tunnels must be constructed on the approach to the Stikine crossing and a large steel viaduct will be required over a deep gulch at Mile 459.9. In the 180.15-mile section beyond to the Yukon boundary, a large steel viaduct will also be required at Mile 537.5 and heavy work, partly in rock, will be needed to develop the gradient up to the Tachilta Lakes. A steel, deck-truss span, about 200 feet long, will be required over the Glady River.

Sections along the PGN line where heavy grading will be required include the approach to the Tuya River and the ascent to the summit toward Glady Lake. With snowfalls continuing during six months of the year in this whole region, ample ditches have also been planned to carry off the large flows of melt-water during periods of thaw and heavy rain. In areas where flooding or drifting snows would be apt to occur, the fills have been planned sufficiently high to reduce the associated operating problems.

A $250 Million Project

For the construction job — cost of which has been estimated at just over $250 million — the projected railway has been divided into nine contract sections, each of which were determined by the geography of the country and the quantities of grading materials to be moved. They were established to avoid the construction of long access roads and to offer the maximum benefits which may be obtained through the use of railway delivered construction materials, notably structural steel, for major bridges, and railway-operated construction equipment.

The Alaska Highway would provide access to contractors for work on four of these nine sections. The entrance to Section 5 — extending from the Stikine River to Nass River Summit—and through it to Section 4—extending from Nass River Summit to Damochax Lake—would be off the Alaska Highway, thence over the Cassiar-Stewart Highway to a highway crossing the Stikine River.

The Department of Public Works for the Province of British Columbia forecasts the use of a ferry at this point but it would be necessary to construct a tote road from the ferry crossing to the Klappan River, the crossing of which would be over a temporary bridge for light vehicles and equipment. Heavy construction equipment would cross the Stikine and Klappan Rivers on ice and so could move only during the winter.

The contractor's access to Section 6 — extending from Stikine River to Thirty Mile Lake—would be via the Alaska Highway, thence via the Cassiar-Stewart Highway to Dease Lake. Entrance to Section 7 — extending from Thirty Mile Lake to Prairie Lake —would be the same with the addition of approximately 30 miles along the Telegraph Creek Road to Thirty Mile Lake.

Anticipating the line would eventually be extended beyond the Yukon border, the operating divisions and the locomotive districts have been laid out about equal in length between Summit Lake and Whitehorse.

Passing sidings, each with a capacity of 100 cars, are planned for construction at an average of 27 miles apart. Seven combination passenger-freight stations will be located at strategic locations along the main line. A location for a classification yard, capable of classifying 2,000 cars daily, has been selected at the southern terminus.

Terminal Elec. Stock All Sold

Pursuant to a Sept. 12 prospectus, J. A. Winston & Co., Inc., and Netherlands Securities Co., Inc., both of New York 4, N. Y., publicly offered and sold on Sept. 19 166,668 shares of Terminal Electronics, Inc.'s 25¢ par capital stock at $6 per share.

Terminal Electronics, Inc. on June 9, 1960 entered into an Agreement of Merger and Consolidation with Hudson Radio & Television Corp., pursuant to which Hudson Radio & Television Corp. will merge into Terminal Electronics, Inc. (the surviving corporation), conditioned upon the successful consummation of the public sale of the stock offered hereby.

The Agreement of Merger and Consolidation has been approved by the directors and stockholders of both firms. The Agreement of Merger and Consolidation provides that concurrently with the merger of Hudson into Terminal, the name of the surviving corporation will be changed to Terminal-Hudson Electronics, Inc. and that each of the 499,970 outstanding shares of the common stock of Hudson Radio & Television Corp. will be converted into the same number of shares of the surviving corporation. A copy of the Agreement of Merger has been filed as an Exhibit to the Registration Statement.

In essence, persons who purchase the stock in effect purchase stock of the surviving corporation which will include the combined businesses of Terminal Electronics, Inc. and Hudson Radio & Television Corp.

Terminal and Hudson are engaged in largely similar types of business involving principally the wholesale and retail distribution of electronic parts and components which are manufactured by others. Hudson has several retail outlets and Terminal has one such outlet for the retail sale of electronic, radio, television and high fidelity parts and equipment. Terminal also has an export sales subsidiary (TRIL). The industry in which the companies are engaged is a highly competitive one where profit margins are generally low and which requires the carrying of substantial inventories.

Giving effect to the proposed merger of Hudson into Terminal based on the pro-forma combined balance sheet of the two corporations as at May 31, 1960, the book value of the outstanding shares (exclusive of treasury stock owned by Terminal) was approximately $1.76 per share and upon completion of this offering became about $2.02 per share.

There is no market for Terminal's capital stock at this time. Its public offering price has been determined after giving consideration to the book values, the market price of Hudson stock and of publicly held securities of similar corporations, and the history and prospects of Terminal and Hudson.

Terminal has paid no dividends, but TRIL, prior to May 12, 1960 when it became a wholly-owned subsidiary of Terminal Electronics, Inc., paid dividends of $10,000 in each of its fiscal years ending July 31, 1958 and July 31, 1959. Hudson paid dividends of six cents per share on Jan. 8, April 8 and July 8, 1960, all such dividends having been waived by its principal stockholder, the late David H. Ormont. No determination has been made with respect to the future payment of dividends which will be dependent upon business conditions, earnings and the financial condition of the surviving corporation.

The net proceeds realized by Terminal from the sale of 83,334 shares of the capital stock are estimated at $387,613 (after the payment of its share of all expenses in connection with the sale of the stock offered hereby). Management intends to utilize approximately $183,000 to pay the remaining balance of the obligation incurred by Terminal in connection with the purchase of shares of Terminal stock from the Estate of Frank Miller. An additional $100,000 of such net proceeds is intended to be utilized to repay a Terminal bank loan in that amount. The balance of the proceeds will initially be added to the general funds of Terminal, but a portion thereof may be utilized to obtain and equip an additional retail outlet, as to which no final decision has been made.

A. C. Allyn & Co. To Admit Partners

CHICAGO, Ill.—A. C. Allyn & Co., 122 South La Salle Street, members of the New York Stock Exchange, on Oct. 1 will admit Willis B. Hamilton, Chicago, William L. Kerbey, Waterloo, Earl K. Madde of Omaha, and Robert E. Rayl of South Bend, to partnership.

John Kaplan to Admit Partner

John H. Kaplan & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Philip B. Wershil to partnership.

Bratter & Co. Formed

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Bratter and Company, Inc. has been formed with offices at First National Bank Building to engage in a securities business.

Forms Edw. Hindley & Co.

Edward J. Hindley has formed Edward Hindley & Co. with offices at 99 Wall Street, New York City, to engage in a securities business. Mr. Hindley was formerly an officer of Martinelli, Hindley & Co., Inc.

Forms Inv. Secs.

SPARTA, N. J.—George M. Stites is conducting a securities business from offices at 191 Green Road under the firm name of Investment Securities Co.

Named Directors

Theodore O. Kluge, Executive Vice-President of Sunsweet Growers Inc., San Jose, Calif., and Walter V. Moffitt, partner of Kidder, Peabody & Co., New York City, have been elected to the Board of Directors of Duffy-Mott Company, Inc., it has been announced.

Future Tax Legislation for Healthy, Sustainable Growth

Continued from page 9

the liberalized treatment of depreciation. Liberalized depreciation has the unique advantage of providing its benefits to those who invest in the productive plant and equipment of the Nation which is the keystone of our economic strength.

The number of western countries which have liberalized depreciation allowances in the postwar period demonstrates the widespread recognition of the key role of tax depreciation in a free enterprise economy. Many of these countries have shown great ingenuity, as well as a disposition to experiment with this form of tax legislation.

Under the system of taxation applicable to our British friends there appears to be much less controversy over depreciation or capital allowance than exists in the United States. Under English law a balancing charge is imposed or allowed, as required, in the year of disposition of an asset. This brings back into income any profit on sale, up to original purchase price, or gives an additional deduction for previously undepreciated cost. Thus depreciation becomes a matter of timing.

Over and above the regular depreciation, English tax law allows initial and investment allowances on certain classes of new investment. An investment allowance is given over and above the original cost which can be recovered in full irrespective of the investment allowance.

Among the combined allowances established in England in 1959 and unchanged in the Budget of April, 1960, is an investment allowance of 20% plus an initial allowance of 10% on new machinery and plant. For machinery receiving an ordinary 12½% rate, this gives a total allowance in the year of acquisition of over 40%.

The notable things about English depreciation are the large allowances in the year of acquisition and the use of broad categories of depreciable property.

The example of foreign countries must necessarily be kept before us. Basically, however, our depreciation system should be determined by what is best for this country and under our own conditions and circumstances.

The 1954 Code for the first time authorized use of the double declining balance method of depreciation, with the alternative of the sum of the years-digits method. This permitted greater deductions in the early years of service life and resulted in a timing of allowances more in accord with the realities of modern industry. As compared with the more rigid straight line approach, the new liberalized methods permit the tax-free recovery of about half the cost of an asset during the first third of its service life and about two-thirds of the cost over the first half of the life. These more liberal depreciation patterns have neutralized to some extent the deterrent effect of taxes and one is justified in concluding that a part, perhaps a considerable part, of the modernization and expansion of productive capacity in the last several years is due to these more liberalized methods of determining depreciation.

In the area of administrative policy, the Treasury in the last several years has also made changes which give recognition to the fact that in many industries today technological improvements and rapid economic changes have magnified the importance of obsolescence in determining depreciation rates. The issuance of Revenue Rulings 90 and 91 in 1953, the substance of which was embodied in the 1956 regulations under section 167, laid down clear new ground rules for administrative policy. Under this new policy the Internal Revenue Service will not disturb depreciation deductions unless there is a clear and convincing basis for change. Revenue agents are instructed to consider carefully evidence presented by taxpayers with respect to obsolescence on a forward-looking basis, rather than in the static light of the past.

Our efforts to secure greater flexibility in the estimate of service life and the application of the depreciation rules have encountered a serious stumbling block in the provisions of section 1231 of the Code which provide capital gain treatment on the disposition of depreciable plant and equipment. It is now possible to depreciate an item of equipment or machinery taking the amount of depreciation as an ordinary deduction, thereafter dispose of the property for more than its depreciated value, and take the resulting gain as a capital gain. This effectively shifts corporate income from a 52% bracket to a 25% bracket. In certain areas major use is made of this method of shifting income.

Earlier this year the President recommended to the Congress legislation which would treat the income from the sale of depreciable property as ordinary income to the extent of the depreciation deduction previously taken on the property. Such legislation, if adopted, would make it possible for revenue agents to accept more readily business judgments as to the useful life of depreciable property. Faster depreciation, in the absence of corrective change in the capital gain rules, would not only impair revenues but encourage wasteful and artificial turnover of depreciable property with an eye to tax savings.

The proposed legislation on capital gains would have made for both a better administration of the existing laws and a better climate in which to consider further legislation on the basic issue. I deem it unfortunate that this legislation was not generally supported and failed of passage. I am convinced that if it had become law it would have been possible in this year to have taken further administrative and procedural steps which would have been of material assistance to business in the depreciation area.

Turning to the prospects for the future, responsible action must take account of a great many factors on which neither the Treasury nor business has accurate or timely data. Mistakes could be very costly for all concerned. The dollar amounts involved are large. The most effective use must be made of available revenue margins. Taxpayers and government alike want to know the respective stakes of different groups.

Comments on Depreciation Survey

To obtain a better and more up-to-date factual basis for appraising the future direction of depreciation policy, the department has initiated a survey of the depreciation practices and opinions of business. I want to report briefly on this survey.

Depreciation allowances "finance" a large part of business capital expenditures. Corporate depreciation is nearly twice the amount of retained corporate earnings at present levels. Both the adequacy of depreciation funds and their continuous flow in investment are important factors in keeping the economy moving forward on an even keel.

Even a small change in the depreciation deduction item would have a large immediate impact on the revenues. For 1960, the total depreciation of corporations, unincorporated businesses, and farmers is about $30 billion and is constantly increasing with the expansion of the economy. A 10% across-the-board increase in depreciation deductions at present levels would, in the short run, reduce revenues by about $1.5 billion.

There has been a divergency of opinion on the relative merits of speeding up the write-off of historical costs as against some specific recognition of increased replacement costs. We want to know more exactly how businessmen feel on this issue.

There has been a large response to the new methods provided by the 1954 Internal Revenue Code and the additional first-year allowances under the Small Business Tax Revision Act. However, use of the available benefits has been less than 100%. We want to know more about the extent of adoption of the new methods and allowances and the reasons why some taxpayers still cling to the straight line method.

The survey got under way on July 5 with the mailing of statistical schedules and questionnaires to thousands of firms in all lines of industry. The Small Business Administration is cooperating to ensure coverage of smaller firms. Altogether about 6,000 replies to the questionnaire are expected, from firms accounting for nearly two-thirds of the corporate depreciation deductions.

Although it is too soon to report in any detail on the results which we have obtained from the early returns, the response has been excellent. The large number of calls and written inquiries we have received indicates high interest on the part of business and an earnest desire to furnish accurate and unbiased information.

The early returns show a great variety of depreciation practices and a wide variety of opinions about what should be done. The final results will be informative and valuable. Some may prove surprising.

One important question is, would faster depreciation materially affect investment decisions? Some have answered that it would help by placing capital recovery ahead of tax payments, but many feel it would not because investment is determined primarily by business needs and technology.

The responses to date generally indicate a willingness to conform book depreciation with tax depreciation as a condition for liberalization. The majority also indicate they are willing to forego capital gain treatment as a condition for liberalized depreciation allowances.

This review of developments is not intended to imply any statement of Treasury position on future depreciation policy. The basic decisions will be made after the facts are in and are analyzed. We hope to carry the work of tabulation and analysis forward so that they will be available for Congress and the Treasury early next year.

The depreciation changes which have been made here since 1953 have made a substantial contribution to the economy of the 1950s. We must now give careful thought to further changes in the depreciation provisions which will meet the new problems and challenges of the next decade.

Tax Reduction

Changes within our tax structure to eliminate burdens on individuals and business, a tax and fiscal policy geared to provide strong restraints on inflationary pressures, and the prompt elimination of tax provisions found to provide relief to special groups or areas of business in ways not contemplated by the Congress when the legislation was adopted, must all have constant and first attention by those charged with the responsibility for the Nation's tax system. We must never lose sight of the fact, however, that an over-all tax reduction benefitting all taxpayers is the ultimate goal of those struggling to control Federal expenditures and Federal employment, to maintain a sound budget policy, and to bring about reduction in the Federal debt.

These goals must be achieved if we are to put the nation in a position which will permit a responsible proposal that the time has arrived for a broad-based tax cut. As our economy continues to expand and our tax receipts rise, we must exert every effort to keep Federal spending within reasonable limits.

We will need something else on the Federal level in addition to economy, however, if we are soon to reach the point where a broad-based tax cut is practical. We must resist the many limited tax cuts proposed in ever increasing numbers for special segments of the American economy or for some particular taxpayer or group of taxpayers—individual or corporate.

The piecemeal reduction of excise taxes which has occurred since 1954 has reduced our annual tax take by more than three-quarters of a billion dollars. It is reductions like these which move us away instead of toward the time when a general tax cut may be proposed.

It is interesting to note that this reduction in annual collections of more than three-quarters of a billion dollars is about equal to the amount of tax which would be lost if the top bracket in the individual income tax schedule was set at 50%.

We in the Treasury believe that except in the most unusual cases involving gross inequities, we can best work for comprehensive tax reduction by vigorously opposing special legislation which will give tax relief to only a few or only in limited situations. This is not an easy posture in which to be. It can only be effective if we have support of the taxpayers of the nation. We do need an understanding that we can best improve our tax system by resisting relatively small piecemeal cuts and bringing our fiscal picture into such shape that a tax cut program which will give general relief to individuals and corporations and provide tax incentives to business can be supported and duly legislated.

Neither in the Congress nor at the Treasury should we for a moment take our eyes from this ultimate goal. I am convinced that we can and will have a general tax cut if we can secure an understanding by the majority of our taxpayers and voters that such a tax cut will come only after we have determined to practice sound economy in operations and to resist special legislation which, by reducing the tax take, can only postpone the day on which a general tax cut becomes effective.

Economic prospects throughout the 1960's as a whole are most favorable, providing only that we continue to conduct our fiscal affairs responsibly.

If the American people understand the facts, I am certain the choice of the great majority will be to support sound budget policy, prudent government spending, a program of gradual debt reduction, and ultimately a tax cut benefiting all classes of taxpayers.

Under this course, the 1960's will see our nation rewarded with healthy, long-lasting and sustainable growth.

*An address by Mr. Scribner at the Joint Session of the Section of Corporation, Banking and Business Law, and the Section of Public Utility Law of the American Bar Association at its annual meeting, Washington, D. C., Aug. 30.

Bid for Puerto Rico Bonds

Five investment banking groups submitted bids Thursday, Sept. 15, for an issue of $10,000,000 Puerto Rico Aqueduct and Sewer Authority bonds due 1962 through 1991. High bid was submitted by a group headed by Ira Haupt and Co., Merrill, Lynch, Pierce, Fenner and Smith, and Banco Credito y Ahorro Ponceno, which bid on interest cost basis of 4.2023% for a combination of 4.20%, 4% and 3% bonds. Shown left to right, seated: Juan Labadie Eurite, Executive Director of the Authority, and Wm. G. Carrington, Jr., partner of Ira Haupt and Co. Standing, left to right: Esteban A. Bird, Executive Vice-President of Banco Credito y Ahorro Ponceno, and Francis Bowen, Senior Vice-President of the Government Development Bank for Puerto Rico.

Steele Opens Office

WINTER PARK, Fla. — Ned R. Steele is conducting a securities business from offices at 1517 Westchester Avenue under the firm name of Ned R. Steele & Co.

Rittmaster Partner

Rittmaster, Adelberg & Co., 260 Madison Avenue, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Stuart J. Voisin to partnership.

Chicago Analysts to Hear

CHICAGO, Ill.—Walter L. Jacobs, President of Hertz Corporation, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held September 29 at the Midland Hotel.

MUTUAL FUNDS

BY ROBERT E. RICH

Nobody's Working on the Railroads

A director of a leading mutual fund has suggested that in an age when the investment community talks incessantly of glamour stocks, there should also be an "unglamour" category. He has no hesitation in naming such groups as shoes and textiles, but the ugliest duckling, in his view, is the railroad division. And it is a fact that not a single carrier is to be found among the 50 institutional favorites.

Thus, a mere 17 institutions (investment companies, common trust funds and insurance firms) include railroad kingpin Pennsylvania in their portfolio. Runner-up New York Central is held by a mere 10. It is true, of course, that there are over 200 institutions each with a stake in Santa Fe and Union Pacific, and well over 100 each own shares in those Pocahontas power houses, Chesapeake & Ohio and Norfolk & Western. But these are the exception. And it's a rare investment manager who can view with pleasure the performance of these equities.

Still, Wall Streeters are flexible folk. They know that today's glamour girl may be yesterday's plain Jane. For a dozen years, as an example, utilities had few friends, but they've been in a steady uptrend for the last 15 years. Television stocks were snapped up in the years following World War II, then came into disfavor and subsequently were reborn as electronic issues.

In the case of the carriers, a whole generation has grown up that knows little and cares less about this basic industry. A couple of years ago King McCord, the boss of Westinghouse Air Brake, a railroad - equipment company that now has considerable diversification, addressed 300 securities analysts in New York. When he asked how many in the audience were railroad analysts, a mere few raised their hands. McCord decided to talk instead about his electronics and earth - moving business.

Studying electronics and space-age stocks has been more rewarding for the modern-day analyst, so if the railroads should attract attention in our own time, many an investment company will wish it had paid a little more respectful attention.

Aside from the fact that railroad stocks typically sell at a fraction of asset value, many of them offer fat yields (5% to 7%). Moreover, they had diversification long before it became a vogue through their ownership of choice property in towns and along their lines. Many roads also have rich oil and timber lands.

An element that could trigger renewed interest in these stocks came last week when the Interstate Commerce Commission approved a merger of the Erie Railroad (held by three institutions) and the Delaware, Lackawanna & Western (owned by two). Last October, the Commission agreed to a plan under which the Virginian Railway was merged into Norfolk & Western. Still under discussion is a merger of the Chicago, Rock Island & Pacific and the Chicago, Milwaukee, St. Paul & Pacific. A struggle is underway between Chessie and the New York Central for control of Baltimore & Ohio. The important point to remember is that the ICC has shown an inclination to let the railroads proceed with consolidations that could give them renewed appeal among investment counselors.

Yet another element is the spanking new tendency of the railroads to give shippers what they want. This shows up in piggyback cars, compartmentizers, low-deck cars and other tailor-made rolling stock. Containerization (a big word) is just over the horizon—a system of co-ordinating truck and rail haulage that promises rich dividends.

The industry also could stand an infusion of new blood, men such as Ben Heineman, the board chairman of Chicago & North Western, who laid $40,000,000 of his stockholders' money on the line to get a new fleet of double-deck coaches from Pullman-Standard and dieselize suburban service. Heineman has erased the chronic deficit in passenger operations. The industry generally takes a whopping loss from its passenger business every year.

Although this is an industry that has done precious little to stir the acquisitive nature of fundmen and other investment leaders, it is not without some positive factors. Assuming, however, an upturn in the economy and the advent next January of an Administration that will show an awareness of the need for a healthy railroad system, the group could acquire considerable appeal in no great time. But, as one mutual fundman, attending the conference of dealers in Washington last week, remarked: "The only basis on which you can justify purchase of rail stocks right now is to fall back on the old adage that says the time to buy a stock is when nobody else wants it."

The Funds Report

Atlas Corp. reported a decline in assets during the first half year to $5.01 a common share at June 30. This compares with $6.25 a year earlier. Total assets declined to $81,119,722 from $93,328,032 a year earlier. The slide in asset values was attributed mainly to decreases in the market value of Hidden Splendor Mining and Northeast Airlines. Atlas owns 22% of the common stock of Hidden Splendor, a uranium company, and 56% of Northeast.

* * *

Texas Fund, Inc., reports that at the close of the fiscal year, Aug. 31, net assets totaled $36,637,644, equal to $9.74 on each of 3,761,666 shares. This compares with year-earlier figures of $38,805,007, $9.67 and 4,013,402.

* * *

Keystone Medium-Grade Bond Fund, Series B-2, has declared a regular distribution from net investment income of 54 cents. Keystone Growth Common Stock Fund, Series S-3, has declared a regular distribution from net investment income of 14 cents and a special distribution from net realized profits of 26 cents. All distributions are payable Oct. 15 to holders of record Sept. 30.

* * *

Third quarter increases in total assets and per share net asset value of Incorporated Income Fund are reported for the latest quarter. In the report, William A. Parker, Chairman, and Charles Devens, President of the fund, said:

"The third quarter was a good quarter for Incorporated Income Fund. On July 31, 1960, net asset value per share was $9.07, up from $9.01 at the close of the previous quarter. Total net assets rose to $103,958,409 from $99,300,958 and shares outstanding to 11,466,747 from 11,017,995."

During the quarter the fund acquired the assets of A. E. Dick Contracting Co., a personal holding company. The valuation of these assets was set at approximately $2.8 million and 312,963 shares of Incorporated Income Fund were issued in exchange for them.

* * *

The election of King Merritt as a director of the Canadian International Growth Fund Ltd., has been announced by Kenneth S. Van Strum, President. King Merritt, a veteran of many years in the mutual funds field, is also a director of Channing Corp.; Vice-President - Sales Financial Division of Channing; and Chairman of the Board of King Merritt & Co., Inc., and King Merritt & Co. (Canada), Ltd., principal distributor of shares of the Channing group of mutual funds.

* * *

The Templeton, Damroth group of mutual funds reported record August sales of $3,041,000 for a gain of 20% from the $2,500,000 for August, 1959. August sales boosted the total of contractual commitments for purchase of shares of the several funds to a new high of $166,341,240.

Mutual funds associated with Templeton, Damroth include Corporate Leaders of America, Nucleonics, Chemistry & Electronics Shares, Lexington Income Trust and Research Investing Corp.

* * *

Dr. Ernest V. Hollis, director of the division of College and University Administration of the U. S. Office of Education, has been elected to the board of directors of Consumers Investment Fund, Inc., a mutual fund with headquarters in Washington. Dr. Hollis has been associated with the U. S. Office of Education since 1944.

Mutual Fund Assets Rise

The 158 mutual fund members of the National Association of Investment Companies reported combined net assets of $16,406,341,000 at the end of August, compared with $15,871,981,000 at the end of July and $15,402,117,000 in August last year.

Member companies of the N.A.I.C. have a total of 4.8 million shareholder accounts, representing holdings of 2.4 million individual and institutional shareholders.

Investors purchased $153,451,000 of mutual fund shares in August compared with $167,677,000 in July and $175,826,000 in August of last year. For the first eight months of 1960, purchases of shares totaled $1,444,847,000, down slightly from the $1,550,580,000 for the comparable eight-month period of 1959.

Redemptions of shares in August amounted to $72,290,000 compared with $66,626,000 in July and $58,532,000 in August, 1959. Redemptions for the first eight months of 1960 totaled $582,383,000, an increase from the $559,920,000 for the same period of 1959.

In the 1960 period, redemptions actually took place at a lower rate —3.6% of average assets—than in 1959 period when investors redeemed shares valued at 3.9% of average assets.

Accumulation plans for the purchase of mutual fund shares continued to attract investors at the rate of more than 30,000 a month, N.A.I.C. reported. In August, 30,401 voluntary and contractual plans were opened for the purchase of shares on a periodic payment basis. This compares with 29,983 in July, 30,163 in June, 32,720 in May and 33,441 in August of last year.

Sachar Securities Are Marketed

On Sept. 21, Ross, Lyon & Co., Inc. and Globus, Inc., both of New York City, publicly offered at $200 per unit 3,000 units of the securities of Sachar Properties, Inc. Each unit consisted of 50 shares of 10¢ par common stock, 10 common stock purchase warrants exercisable at $2 per share until Sept. 1, 1965, and $100 principal amount of debentures.

Sachar Properties Inc., was incorporated on April 28, 1960 under the laws of the State of Delaware as a corporation of perpetual duration.

The corporation has very broad powers in the area of real estate transactions, including but not limited to the power to take, lease, purchase or otherwise acquire and to own, use, hold, sell, convey, exchange, lease, mortgage, work, improve, develop, cultivate, and otherwise handle, deal in, and dispose of, real estate, real property and any interest or right therein, wheresoever located. The charter of the corporation excludes from its powers the power to engage in building construction upon unimproved real property.

The company intends principally to deal in and with unimproved real property, to sell parcels as building sites, to subdivide and improve parcels by roads or sewers and to sell the same as building sites, or to obtain or prepare building plans and financing arrangements — perhaps including FHA financing arrangements—in respect of a parcel and to sell the parcel, plans and financing arrangements as a package.

It is anticipated that there will be intense competition in all aspects of the business of the company.

Louis Sachar, the president of the corporation, took the initiative in founding and organizing the enterprise. He has been in the real estate business for more than 15 years and in recent years has been especially interested in the field of middle-income housing. Several of the parcels owned by the company appear to be suitable locations for middle-income housing, and the company intends to be especially alert to potential middle-income housing opportunities.

Named Director

F. William Harder, a Senior Executive in Allen & Company, New York, underwriters and distributors of investment securities, and Walter Freedman, a Partner in the Washington, D. C., law firm of Freedman & Levy, have been elected directors of Electronic Wholesalers, Inc., it has been announced by Stanley H. Rosensweig, President of the electronics distributing company.

STATE OF TRADE AND INDUSTRY

Continued from page 5

60% drop in the first quarter. These declines follow huge capital set-asides by the industry last year.

On the general steel market, *The Iron Age* reports only seasonal gains at best. This slow rate of new business may mean no significant upturn in steelmaking through the rest of the year. As reported earlier by *The Iron Age*, October will not be a recovery month, but will be at about August levels. October orders from big consumers, particularly automotive, are now set and the prediction of major rise is confirmed.

This Week's Steel Output Based On 53.9% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *95.7% of steel capacity for the week, beginning Sept. 19, equivalent to 1,537,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *94.0% and 1,510,000 tons in the week beginning Sept. 12.

Actual output for last week beginning Sept. 12, 1960 was equal to 53.0% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 53.9%.

A month ago the operating rate (based on 1947-49 weekly production) was *96.3% and production 1,547,000 tons. A year ago the actual weekly production was placed at 362,000 tons, or *22.5%. At that time the industry was virtually closed down due to a strike of the steel union.

*Index of production is based on average weekly production for 1947-49.

10% Auto Car Sales Increase Reported by "Ward's" for the Sept. 1-10 Period Over the Same 1959 Period

A 10% increase in Sept. 1-10 new car sales over the year-ago period was tabulated by *Ward's Automotive Reports*.

The gain reverses a trend which saw purchasing in entire August drop 5.2% under last year and bolsters prospects for a good old model inventory cleanup by the auto dealers.

Ward's counted Sept. 1-10 retail sales at 125,530 new cars, equivalent to a 15,691-unit daily average that is 10% above the 14,263 rate last year when 114,100 cars were sold.

The sales surge cut the industry's new car inventory down 834,000 units on Sept. 10 from 888,000 at the close of August. The 834,000-unit stockpile includes an estimated 694,000 of the 1960 models, which the dealers are liquidating at a steady pace, and 140,000 new 1961 cars for which inventories are mounting rapidly.

The statistical service said the compact cars sparked the Sept. 1-10 auto market with a 29.3% share. It divided early September purchases into 46.5% GM Corp., 29.4% Ford Motor Co., 15.3% Chrysler Corp., 7.2% American Motors and 1.6% Studebaker-Packard Corp.

In the meantime, U. S. auto output spiraled 63.7% this week over last week. *Ward's* said that an estimated 86,189 cars were built compared with 52,635 last week and 62,716 in the same week last year.

Joining the Ford Motor compacts, Rambler progressed to a six-day schedule this week. But Rambler's schedule called for three shifts each day. Most plants worked five days.

The only exception was Chrysler Corp.'s Newark (Delaware) plant which was closed all week on account of a parts shortage caused by the Pennsylvania railroad strike.

Freight Car Loadings for Sept. 10 Week Totaled 481,057 Cars, or 7/10ths of 1% Above Same 1959 Week

Loading of revenue freight for the week ended Sept. 10, 1960, totaled 481,057 cars, the Association of American Railroads announced. This was an increase of 3,441 cars or seven tenths of one per cent above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, and a decrease of 185,166 cars or 27.8% below the corresponding week in 1958. The Labor Day Holiday fell in both the 1960 and 1959 weeks but not in the 1958 week.

Loadings in the week of Sept. 10, which were affected by strike-bound operations on the Pennsylvania and Grand Trunk Western railroads, were 96,033 cars or 16.6% below the preceding week.

There were 11,095 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Sept. 3, 1960 (which were included in that week's over-all total). This was an increase of 2,469 cars or 28.6% above the corresponding week of 1959 and 6,148 cars or 124.3% above the 1958 week.

Cumulative piggyback loadings for the first 35 weeks of 1960 totaled 370,383 for an increase of 95,898 cars or 34.9% above the corresponding period of 1959, and 197,558 cars or 114.3% above the corresponding period in 1958. There were 55 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage for Week Ended Sept. 10 was 0.4% More Than Corresponding 1959 Week

Intercity truck tonnage in the week ended Sept. 10, was less than 1%—or 0.4%—ahead of the volume in the corresponding week of 1959, The American Trucking Associations, Inc., announced. However, truck tonnage during the holiday week was 14.8% below that of the previous week of this year. The week-to-week decrease approximated that found in previous years for the week containing Labor Day.

These finding are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage over a year ago in 14 localities. Twenty points reflected decreased tonnage from the 1959 level.

Pittsburgh, Baltimore and Philadelphia terminals had the largest year-to-year gains — up 24.1, 19.7 and 17.3%, respectively. The sizable increases in traffic at these and some other Northeastern points can be attributed at least in part to a larger than usual volume of freight handled by truck during the Pennsylvania Railroad strike. Tonnage decreases from 1959 were somewhat larger than those registered in recent weeks at a number of trucking centers in other parts of the country.

Compared to the immediately preceding week, all 34 reporting metropolitan areas registered decreased tonnage for the week of the Labor Day holiday.

Electric Output 8.8% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 17, was estimated at 13,903,000,000 kwh., according to the Edison Electric Institute. Output was 313,000,000 kwh. below that of the previous week's total of 14,216,000,000 kwh. but showed a gain of 1,124,000,000 kwh., or 8.8% above that of the comparable 1959 week.

Lumber Shipments Were 2.7% Below Production for Week Ended Sept. 10

Lumber shipments of 452 mills reporting to the National Lumber Trade Barometer were 2.7% below production during the holiday week ended Sept. 10, 1960. In the same week, new orders of these mills were 3.5% below production. Unfilled orders of reporting mills amounted to 27% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 15 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 2.9% below production; new orders were 5.2% below production.

Compared with the previous week ended Sept. 3, 1960, production of reporting mills was 13.7% below; shipments were 13.2% below; new orders were 9.4% below. Compared with the corresponding week in 1959, production of reporting mills was 13.1% below; shipments were 12.5% below; and new orders were 7.2% below.

Rise in Business Failures for Week Ended Sept. 15

Commercial and industrial failures climbed to 305 in the week ended Sept. 15 from 276 in the preceding week, reported Dun & Bradstreet, Inc. Casualties continued considerably above the comparable 1959 and 1958 levels when 264 and 262 occurred respectively. Some 13% more concerns failed than in the similar week of pre-war 1939 when the toll was 269.

Failures with liabilities of $5,000 or more rose to 280 from 246 in the previous week and 223 a year ago. On the other hand, small casualties, those involving liabilities under $5,000, dipped to 25 from 30 last week and 41 in 1959. Liabilities ranged above $100,000 for 35 of the week's failures, the same number as in the preceding week.

Most of the upturn occurred in wholesaling where the toll climbed to 44 from 18. Small increases were noted in manufacturing, up to 46 from 45, and in commercial service up to 25 from 19. In contrast, casualties among retailers dipped to 140 from 142. More businesses succumbed than last year in all lines except manufacturing. The most noticeable increases from 1959 levels appeared among wholesalers and construction contractors.

While five geographic regions reported higher tolls during the week, a major portion of the upturn centered in the East North Central States, where casualties rose to 56 from 37, and in the Pacific States, up to 75 from 61. Milder increases lifted the Middle Atlantic toll to 82 from 76 and the South Atlantic to 31 from 25. Although no change appeared in the West South Central States, dips were noted in three regions—the New England, West North Central, and East South Central. In all except two of the seven major regions, business mortality exceeded year-ago levels.

Wholesale Food Price Index Down Fractionally in Latest Week

There was a fractional decline this week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., from the 1960 high of a week earlier, and it was also fractionally below that of the similar date a year ago. On Sept. 13 it stood at $5.96, down 0.3% from the $5.98 that occurred in both the prior week and a year ago.

Commodities quoted higher in wholesale cost this week were wheat, corn, oats, beef, hams, bellies, sugar, coffee and potatoes. Lower in price were rye, lard, cottonseed oil, cocoa, beans, eggs, rice, steers and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down Moderately From Prior Week

With lower prices on some grains, steers, lambs and cotton offsetting increases on sugar, butter, hogs, and rubber, the general wholesale commodity price level dipped moderately in the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 267.13 (1930-32=100) on Sept. 19, compared with 267.45 a week earlier and 277.73 on the corresponding date a year ago.

Although receipts were light and some unfavorable weather in growing areas was reported, corn buying showed little change from a week earlier and prices were somewhat lower. Volume in oats was slow due to limited supplies in some markets, but prices remained unchanged.

There was a fractional rise in wheat prices, reflecting good domestic and export buying and limited supplies. Rye prices weakened as transactions lagged behind the preceding week. With the crop now likely to be higher than previously expected, soybean trading dropped and prices were down appreciably.

While a continued strike among grain handlers in Buffalo necessitated mill shutdowns in that area, volume in flour in other areas moved up appreciably, holding prices close to the prior week; exports buying of flour lagged. Rice prices were steady and trading moved up moderately; export interest in rice rose somewhat during the week.

Volume in sugar expanded noticeably from the prior week and prices finished moderately higher. Purchases of coffee were dull during the week, but prices finished unchanged from a week earlier. While cocoa trading edged up slightly, prices were steady.

There was a slight decline in prices on steers as trading lagged and supplies moved up in most markets. Lamb prices were down appreciably from the preceding week as volume dipped and salable receipts expanded. An appreciable rise occurred on hog prices and purchases were moderately higher. Prices on lard remained unchanged from a week earlier.

Prices on the New York Cotton Exchange finished fractionally lower this week. United States exports of cotton staples in the week ended last Tuesday were estimated at 18,000 bales, compared with 14,000 in the prior week and 62,000 in the similar period last year. For the current season through Sept. 13 exports came to about 295,000 bales, compared with 199,000 last season.

Hurricane and Hot Weather Cut Retail Sales

With hurricane Donna on the Eastern seaboard and extremely hot weather in the mid-West, over-all retail trade in the nation as a whole in the week ended Wednesday, Sept. 14, fell below both the prior week and the similar period a year ago. Holding up best in volume were women's and children's apparel, floor coverings, draperies, linens, and food products.

The total dollar volume of retail trade in the week ended Wednesday, Sept. 14, was 3 to 7% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: South Atlantic —10 to —14; New England —9 to —13; Middle Atlantic —6 to —10; East North Central and West North Central —1 to —5; Pacific Coast 0 to —4; West South Central +1 to —3; East South Central +2 to —2; Mountain +3 to —1.

Nationwide Department Stores Sales Down 2% From 1959 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Sept. 10, 1960, show a decrease of 2% over the like period last year. In the preceding week for Sept. 3, a decrease of 1% was reported. For the four weeks ended Sept. 10, a 1% rise was reported. The Jan. 1 to Sept. 10 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Sept. 10 were 5% above the like period last year. In the preceding week ended Sept. 10, sales were 2% above the same period last year For the four weeks ending Sept. 10 an 8% increase was reported over the 1959 period, and from Jan. 1 to Sept. 10, there was a gain of 6% above the level achieved in the 1959 period.

Reynolds Team Wins Hayden Tourney

A four-man team representing Reynolds & Co. won the 32nd annual Charles Hayden memorial trophy golf tournament, Friday, Sept. 16, at the Nassau Country Club, with a gross score of 317 and a net of 292.

Representing Reynolds & Co. were: A. Donnelly, Kenneth Mountcastle, John F. Bryan and Robert E. Palmer.

Runner-up honors went to a Lehman Brothers team, with a gross score of 319 and a net of 296.

A two-man Granbery, Marache & Co. team topped this division with a gross score of 180 and a net of 149.

James Burns of Blyth & Co. won individual honors with a gross of 72 and a net of 68.

Taking part in the competition were 33 teams representing Wall Street investment banking firms.

Bond Women Elect Officers

Dorothy Root, of F. S. Smithers & Co., was elected President of The Municipal Bond Women's Club of New York, succeeding Louise Bullwinkel, of Tripp & Co., Inc., at the annual meeting.

Mrs. Madlyn Hoskins Belck, of Braun, Bosworth & Co., Inc., was named Vice-President, succeeding Dorothy Root. Jeanne Skippon, of Adams, McEntee & Co., Inc., was elected Treasurer, succeeding Maureen A. Gough, of J. J. Kenny Co., and E. Naomi Christiansen, of Wertheim & Co., was elected Secretary, succeeding Ola M. Smith, of Roosevelt & Cross, Inc.

Ola M. Smith, and Margaret M. Burns, of Fabricand & Co., were elected members of the Board of Governors to serve for two years. Louise Bullwinkel, retiring President, Jeannette F. Boondas, of Gregory & Sons and Constance A. Hay, of Shields & Company, will continue to serve on the Board of Governors until the annual meeting in 1961.

Burton Jaffe Opens

NORFOLK, Va.—Burton H. Jaffe has opened offices in the Law Building to engage in a securities business under the firm name of Burton H. Jaffe & Co. Mr. Jaffe was formerly with Reynolds & Co. and Ira Haupt & Co.

AS WE SEE IT

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gesting to them any programs which would remove the basic cause of present difficulties. In broad outline at least the heart of current troubles is as plain as a pikestaff. A great deal more is being produced than can be sold at prices that cover the cost of producing it. Whether past mistakes of government must bear a substantial part of the responsibility for the situation, as Vice-President Nixon has said, is largely beside the point. The question is: When will government cease to be a continuing cause of this vast overproduction; when will it take the steps necessary to permit the situation to correct itself? Neither candidate has shown the slightest intention of doing any thing of the sort.

It may well be that over several decades governmental policies have had a substantial part—along with advancing technology—in bringing the present state of affairs into being. It is one thing, however, to suggest that government should therefore do what is reasonable in assisting farmers to right the situation. It is quite another to proceed with programs which can not by their very nature do other than merely assist the farmer to meet the penalties of past errors at the same time that the malady which needs a cure is aggravated—so that next year and the next and the next government must (according to current theories) keep helping farmers to continue to exist. It would in the circumstances, perhaps, be too much to expect any politicians seeking office in this year of our Lord to tell the farmer bluntly that there are too many of them in the land, and that some of them will be obliged to find other ways of making a living, or to suggest any program that seems to imply any such plain truth. Yet sometime, somewhere we shall have to make a start, or risk ultimate damage to our economic welfare which would not be pleasant to behold.

Labor and Automation

Not entirely unrelated in a certain sense is the situation that has developed in the field of labor. Rising business activity and increasing production no longer bring more jobs in the same proportions as was once the rule. What is now called automation has long been in the headlines. Few have had the temerity to suggest that industry forego the advantages of these latest developments in automatic operations. Yet there is more than one complaint from union leaders about men displaced, or allegedly displaced by machines. The all but universal tendency is to seek ways and means of lending assistance to men thus forced into the unemployment ranks. Few there are who have stopped to ponder just how this situation has arisen and what sort of basic relief is within the realm of possibility.

Underlying this development in industry as with the overproduction in agriculture are the astounding advances of recent years in technology. It has become possible with the aid of electronics to do many things mechanically with greater speed and greater uniformity than by the direct application of human labor. But that is not quite the whole story. The fact of the matter is that labor costs have risen so drastically, not merely or even chiefly perhaps by reason of higher wages though rates of pay have risen enough in all conscience, but as a result of shortened work weeks and innumerable restrictions upon employers in marshalling their labor force to get things done. There can, of course, be no question that for a long, long while, but particularly in the past two or three decades, industry and its technicians have been driven by compulsive forces to seek every possible means to replace the work of human hands with machinery. In considerable part labor has brought automation upon itself—and is trying to apply a hair of the dog that is biting in order to cure their troubles.

The Record

Let us turn to the record for a moment or two. There is no one who doubts that all this equipment required for automation is very, very expensive and that vast sums have been spent in developing it and even in manufacturing it. Yet it has been labor, the wage earner, who has made the most progress in increasing his share of output —the worker who for the most part has put up very little if any of the money required for the ultra-modern factory. In 1929 compensation of employees constituted roughly 58% of the national income. It now accounts for nearly 70%. In 1929 those who provided the investment funds of the country drew about 40% of the national income. Today their share has shrunk to some 25%—and that despite the vast sums of money invested, the enormous risks and all the rest that is involved in organizing or operating a business.

Here, too, the cure is, of course, to be found in ceasing to try to defy natural forces. The monopoly that has been granted to organized labor is responsible in large part for the effort to evade the natural consequences of day-to-day acts. Yet where is the politician who has the temerity even to suggest such a thing.

Broader Economic Facets Of Fast Depreciation

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depreciation allowances as a factor in business saving.

Business Gross Saving

	Undstrbutd corp. prof.	Capital cost allow.	Total bus. svgs	Pct.
1949	587	1,673	2,260	74
1950	752	1,913	2,665	72
1951	662	2,203	2,865	77
1952	618	2,422	3,040	80
1953	729	2,673	3,402	79
1954	571	2,905	3,476	84
1955	962	3,266	4,228	77
1956	1,131	3,642	4,773	76
1957	870	3,994	4,864	82
1958	852	3,923	4,775	82
1959	957	4,131	5,088	81

SOURCE: D. B. S.—National Accounts, Income and Expenditure.

Here, we note that depreciation allowances in 1959 averaged 81% of business gross saving compared to 74% in 1949 and 72% in 1950. Proponents of accelerated depreciation would like to see this ratio even higher. When we recall that more than 80% of all funds are now obtained by corporations from internal sources, we can conclude that their dependence on shareholders is lessening rapidly. A new kind of capitalism?

Nor would it seem that all of this reinvestment of earnings has been as profitable as could be expected.

Financial Statistics—All Mfg. Cos.

(in millions $)

	Tot.(1) as'ts	(2) prfts	(3) eqty	div	Pr% as'ts	Dv% eqty
1950	9,104	1,308	5,670	483	14.4	8.5
1951	10,587	1,548	6,283	479	14.6	7.6
1952	11,357	1,366	6,624	374	12.0	5.6
1953	12,684	1,378	7,346	367	10.9	5.0
1954	13,487	1,136	7,915	386	8.4	4.9
1955	14,578	1,469	8,634	364	9.9	4.2
1956	16,718	1,581	9,602	451	9.5	4.7
1957	17,937	1,411	10,464	478	7.9	4.6

(1) After depreciation; (2) Before tax; (3) Stock plus surplus.
SOURCE: Taxation statistics, 1952-'59 Department of National Revenue.

It is to be noted that total assets of all manufacturing corporations virtually doubled in the eight years from 1950 to 1957 inclusive; profits increased by 8% approximately and hence the rate of profit on assets declined from 14.4% to 7.9%. This might cast some doubt on management's claim that the retention of earnings is justified by an ability to invest profits superior to that of the shareholder. It is also worth noting in this regard that, while dividends have gone up in absolute terms over this period, dividends declared as a percentage of equity (stock plus surplus) have declined from a rate of 8.5% in 1950 to 4.6% in 1957.

An analysis of depreciation must properly begin with an examination of the theory of investment itself or, more properly, in this instance the theory of reinvestment. As I have suggested earlier, the fact that other nations may have more liberal depreciation policies is completely irrelevant. They may have solved their unemployment problems, which we have not; they may be at less advanced stages of industrial development than Canada or they may be nations with a surplus of savings and capital to invest. Our policies must be related to Canadian economic conditions.

Reminder on Technological and Economic Efficiency

We all admit that economic survival demands constantly increasing efficiency. Proponents of accelerated depreciation, or write-offs based on replacement rather than original cost, imply that the problem is solely that of replacing presumed obsolescence. Economic efficiency is much more than that. It does not consist merely in the existence of a large, new and shiny industrial plant with all the latest electronic gadgets and most modern engineering techniques. Economic efficiency consists in the exact balancing of all resources—land, labor and capital —to meet demand—demand for goods and services which satisfy needs and wants. But demand changes, and with changes in demand the need for specific plant and equipment changes also. Obsolescence is a function not only of technological change but also of changes in demand. In this instance, the investment is lost because expectations were ill-founded and market forecasts simply failed to materialize. The capacity to pour forth goods remained but the capacity or desire to absorb them has changed. Technical efficiency remains; economic efficiency has faded away. The capital becomes redundant and the cost should be borne by whom?

A recent report noted that more than 300 petrochemical projects are currently under construction in the Western world, including 22 in Canada and more than 100 in the United States. Now this seems like a very large number and we can assume, in accordance with the general pattern of investment today, that 80% to 90% of this growth is being financed internally.

Several questions may be posed. How many of these projects would have been undertaken if all firms had been forced to secure their funds from the capital market? Who pays for the cost of excess capacity? We must hope that this expansion in petrochemicals will not burden Canada with still more excess capacity. We cannot afford *the economic waste, not technological obsolescence,* of more expansion based on inaccurate projections of demand.

Twenty-two more petrochemical plants may be fine but they are no virtue or asset to Canada in themselves. They will benefit us so long as they all can be worked profitably. To the extent that we overbuild—they represent an overinvestment in fixed capital and a consequent drain on our working capital, with the resultant effects on interest rates, that we cannot afford. I maintain that a good deal of the tremendous investment in Canada is the result of reinvestment of internal funds which do not and cannot meet the tests of an impersonal capital market. This test simply means that investment comes after the examination of a wide range of alternatives, in which uses for the funds are considered for profitable application in primary resources, services, agriculture, manufacturing, construction, etc. The investment is not confined or restricted to an existing enterprise in the manner of internal reinvestment.

Who Bears the Cost of Ill-Used Internal Funds?

If there should turn out to be excess capacity in the petrochemical industry, how do we charge off the resulting over-investment. Normally, in a single-product firm or in a new firm, the enterprise collapses and the investors lose their capital. But in today's complex, multi-product corporation the losses of ill-conceived projects are written off against the profits of other lines and so the treasury subsidizes the failure by reduced tax revenues on diminished profits and the consumer by the increase or stickiness of prices on profitable items which must absorb these extraneous costs.

Part of the blame for structural unemployment in Canada may be traced to our obsession with the virtues of fixed capital. This has led to an unbalanced development of our economy and the disproportionate mixture of labor and capital in our producing sectors. Burdened with excess capacity in many industries and short of capital, we still seek tax privileges to encourage still more investment? Where can we get such funds but abroad—and thus sell still more of our resources? Blessed with an abundant supply of highly skilled labor, we seek to turn this asset into a liability by offering the special concessions of accelerated costing to those who employ fixed capital in place of labor. The wage earner is no longer on an equal footing with capital when their employment is determined, not by their respective productivities, but by the manner in which these costs can be used to reduce taxable profits. Tomorrow's labor costs are a charge against tomorrow's income, but accelerated depreciation seeks to charge off tomorrow's cost of capital against *today's profits*—a worthwhile inducement to substitute capital for labor.

Distorts Use of Labor and Capital

Canadian tax policy should favor the use of labor in production not only to reduce the social costs of heavy unemployment but also for economic reasons. Labor costs are variable, i.e., tied to the volume of output. When you substitute capital for labor, you incur fixed costs that must be borne without regard to fluctuations in production. Fixed costs bring inflexibility in output and in methods of operation. The resultant high costs and break-even points make us more highly vulnerable to fluctuations in demand than would a more judicious mix of labor and capital. Let this mix be determined by their relative productivities, not by tax concessions that favor the use of capital and prejudice the employment of labor. In this connection, I believe that there is great merit in Claude Jodoin's call for a conference in which representatives of labor, business and government would explore economic problems facing Canadians. Unemployment would rank first on any such agenda.

If distortion in the use of labor and capital is the most important effect of juggling depreciation costs, there are many others.

Other Consequences Which Should Be Evaluated

1. **Profits** — We have seen the effect on profits of changing depreciation policies in the Dominion Dairies case. Which is the correct figure? Since profits are a measure of the efficiency of management, which is the more accurate picture? The level of profits in an industry or firm attracts new investment. Will more investment and new firms be discouraged by the new profits figures? Will competition be lessened? Will the return on assets continue to decline as it has declined during the past several years from 14.4% to 7.9%?

2. **Taxes**—The loss in revenue to the government is considerable. Who pays up? Assuming that public expenditures remain the same, will there be an increase in sales taxes, personal income taxes or

the corporate tax rate itself. Do special depreciation allowances discriminate against corporations in service industries, finance, etc., with a relatively small percentage of investment in fixed assets? Further, tax liabilities are reduced during periods of prosperity when the firm is best able to pay them and increased during recessions when the firms, through lack of new investment and the heavy accelerated depreciation already taken, will be understating real depreciation costs in this latter phase and hence overstating profits. Is this not the time that the firm can least afford to pay heavy taxes?

3. **Shareholders**—Are dividends likely to be maintained? To increase? To decrease? Lowering profits by advancing tomorrow's costs to present income is likely to discourage saving and further investment by the shareholder. Distribution to shareholders of dividends has lagged behind other forms of income and this may account for the low return on securities and the difficulty in persuading Canadians to invest in equities.

4. **Business Cycle** — Investment is encouraged when profits are high and tax relief is important for larger allowances can then be charged against corporate income. But during depressions or recessions, when profits are low and there is little income against which to charge depreciation allowances, investment will be discouraged. Such a policy accentuates the inflationary and deflationary phases of the cycle by encouraging investment during booms and discouraging investment on the downswing.

5. **Foreign Control**—Should we extend accelerated depreciation concessions to firms which are 100% foreign controlled, which refuse to make equity participation available to Canadians and which will find expansion much easier to finance with this assistance from the federal purse?

6. **Replacement Costs** — What certainty is there that the asset will be replaced? How do you measure the replacement cost of a completely new type of machine? How do you distinguish between technological obsolescence and economic waste—i.e., obsolescence due to changes in demand, poor market forecasting, etc.? In Mr. Hilton's example, if the cost of replacement had fallen with a decline in prices to $50,000,000.00—should $50,000,000 or $100,000,000 in depreciation be allowed? This may not be relevant now but we have had deflations before. How many firms use accelerated depreciation flows to build up cash and marketable securities with no investment benefits to the economy?

7. **Wages**—By reducing profits, as in the Dominion Dairies example, the ability of labor to bargain for increased wages is impaired. There is a distortion in the accounts which is open to various interpretations and tends to work against a just distribution of income to labor.

8. **Pricing**—The price of a product must bear not only the normal direct and indirect costs of producing the item but also the additional costs of accelerated rates of depreciation. Prices will thus tend to be higher than normal costs would suggest. These high prices might well reduce demand, encourage new firms to enter the industry and hence split the market by an uneconomic multiplication of producing firms. Thus, we are robbed of the advantages of optimum size.

Other Ways to Meet the Same Objective

9. **Alternatives** — The objective of special amortization proposals is to encourage economic growth and to stimulate investment in capital goods. There are, however, alternative methods of accomplishing this task, such as reducing interest rates or the corporate tax rate itself. The former policy would encourage municipal and provincial investment at a time when our social needs are very great and when, due to excess capacity in many industries, the wisdom of relying on additional heavy investment in the private sector is doubtful. The latter policy, a reduction in corporate rates, would apply to all firms fairly and equitably, whereas the special depreciation allowance has the great disadvantage that it favors the capital intensive industries.

It is my understanding that the Canadian Institute of Chartered Accountants will conduct a special seminar devoted to depreciation policy. The above notes will serve, I hope, as an introduction to such a discussion. May I leave one further thought. Depreciation flows, the major source of saving in Canada, should be much more mobile in their application than they have been. Canada needs flexibility in the pattern of investment,—the flexibility that one would normally associate with new, personal savings. While some depreciation reserves may have to be reinvested in old uses to maintain existing capital intact, there is no *a priori* reason for committing depreciation quotas to the same industry. The shifting of depreciation reserves to new uses becomes very important in Canada precisely because new savings are too small to meet our needs for new capital. Therefore, it is necessary that managements meet the challenges of changes in demand and new technological methods by a flexibility of outlook which will enable them to search out profitable opportunities for investment even when these may be beyond the field of their immediate operations.

Best to Stop Inflation Itself

Accelerated depreciation is essentially an attempt to escape the consequences of inflation. All of us can sympathize with the firm heavily committed in fixed assets. But we can also sympathize with other victims of inflation—the bondholders, the pensioner, etc. There is no equitable way to avoid the impact of inflation. The only solution is to stop it and that seems to be beyond our powers and is certainly beyond the scope of this paper.

***An address by Mr. Kierans before the Annual Conference of the Canadian Institute of Chartered Accountants, Banff, Alberta, Sept. 12, 1960.**

A. R. Henis Opens

Allan R. Henis is conducting a securities business from offices at 295 Madison Avenue, N. Y. City.

Joins Burns, Potter

(Special to THE FINANCIAL CHRONICLE)

OMAHA, Neb.—Henry J. Enenbach has joined the staff of Burns, Potter & Co., 201 South 19th St.

Joins Gradison Staff

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Dale E. Honecker has joined the staff of W. D. Gradison & Co., Dixie Terminal Building, members of the New York and Cincinnati Stock Exchanges. Mr. Honecker was formerly with Breed & Harrison, Inc.

Two With Musekamp

(Special to THE FINANCIAL CHRONICLE)

CINCINNNATI, Ohio—Robert L. Angus and Joseph B. Niemann are now affiliated with G. H. Musekamp & Co., Carew Tower.

With Merrill, Turben

CLEVELAND, Ohio — William J. Finck is now connected with Merrill, Turben & Co., Inc., Union Commerce Bldg., members of the New York and Midwest Stock Exchanges.

First Half Corporate Earnings Drop Though Economy Expands

First National City Bank's mid-year resume of earnings by leading industry groups shows they have fallen short of the 1959 half by 4%. Profits based on manufacturing sales declined from a 7.1% average in first half of 1959 to 6.6% this year whereas amusement and service industries did "conspicuously" well. Electric, gas and telephone utilities continued their year-to-year growth.

The mid-year tabulation of corporate earnings by the First National City Bank of New York contrasts declining profits trend with overall increase in economic activity.

The Bank's *Monthly Letter* points out that "while most measures of economic activity are clearly headed for new peaks in 1960, there remains some uncertainty as to whether business profits, after taxes, will make the grade. Corporate reports issued to date for the second quarter indicate that profits fell slightly short of the initial quarter, and lagged considerably behind second quarter 1959 when, prior to the steel strike, profits had touched a record level. Reports by 721 nonfinancial corporations show combined net income after taxes of $3.2 billion in the second quarter, 3% below the March quarter and 12% under the year-ago period. For the first half as a whole, profits of the reporting companies totaled $6.4 billion, falling short of the 1959 half by 4%.

"Among manufacturing firms alone, earnings of 533 companies amounted to $2.4 billion, a slippage of 5% from the first quarter and 14% from second quarter 1959. For the entire six months, combined earnings were 6% short of their first half 1959 performance. A summary of earnings by industry groups is presented in the accompanying table.

"Earnings in many industries have decreased even though the over-all economy has continued to expand. While failure to match the record of first half 1959 is partly attributable to the unusual stimulus given earnings by the pre-strike inventory buildup last year, many companies report that spotty price weakness, not always reflected in official indexes is tending to erode earning power. More broadly, the markets are highly competitive, and managements have the challenging task of accomplishing savings to offset pressures of rising employment costs and taxes. Thus, while a good many companies report record sales, a much smaller number are able to show new highs in earnings. For manufacturing firms reporting sales figures, our tabulation indicates that profit margins have narrowed from an average of 7.1% of sales in first half 1959 to 6.6% this year. Out of a total of 17 industry groups, 13 show thinner margins.

A Mixed Picture

"Aside from strong competition, corporate managements this year have faced shifting patterns of consumer buying as well as changes in business policies with regard to inventories and capital investment. The sharpest adjustment was imposed upon the steel industry which saw its customers moving suddenly from a policy of inventory building to one of reduction. Thus, with operating rates falling sharply, the combined earnings of the iron and steel companies fell 29% below first half 1959, when profits were swollen by the inventory rush. In the auto industry, the shift of consumer preference toward compact cars has affected earnings of individual companies. A similar diversity marked the performance of the electrical companies: despite improved sales of electronics products, television sets, and electrical equipment, weakening prices of appliances and changes in the defense program have hurt some producers.

"The moderate growth in capital spending by business, and export orders generated out of the business boom in Europe and Japan, have brought a further recovery in earninigs of a number of machinery makers. The decline in construction affected producers of lumber and plywood, plumbing equipment, cement, and other building supplies.

"In the textile field, earnings of cotton goods manufacturers extended the more favorable trend evident in 1959. But producers of nylon, rayon, and some other man-made fibers report lower profits stemming from price reductions. In petroleum, some further recovery from the 1958 setback has been achieved in the first half.

"Outside of manufacturing, the electric, gas, and telephone utilities continued their year-to-year growth. Amusement and service industries did conspicuously well. On the other hand, the railroads, while experiencing seasonal improvements over the first quarter, fell considerably short of results a year ago. In retail trade, profit margins tended to shrink with the result that net earnings slipped below 1959 in a number of cases despite growth in sales volumes."

Net Income of Leading Corporations for the Second Quarter and First Half Year

(In Millions of Dollars*)

		Reported Net Income			% Change From		Reported Net Income First Half-Year		
Nos. of Cos.	Industry Groups	Second Qr. 1959	First Qr. 1960	Second Qr. 1960	Second Qr. 1959	First Qr. 1960	1959	1960	Per Cent Change
32	Food prod. & beverages	$90.0	$84.8	$86.7	— 4	+ 2	$176.0	$171.6	— 3
7	Tobacco products	61.1	54.5	62.5	+ 2	+15	112.2	117.0	+ 4
23	Textile & apparel	17.9	12.6	11.7	—31	— 8	30.0	24.3	—19
7	Tires, rubber products	26.5	27.0	24.8	— 6	— 8	54.4	51.8	— 5
29	Paper & allied products	83.6	70.5	79.8	— 5	+13	150.7	150.3	—..†
28	Chemical products	242.6	207.6	225.1	— 7	+ 8	442.3	432.7	— 2
26	Drugs, soap, cosmetics	59.7	63.6	57.4	— 4	—10	119.0	121.0	+ 2
30	Petroleum prod. and refining	551.4	626.0	572.0	+ 4	— 9	1,171.5	1,198.0	+ 2
43	Cement, glass, and stone	146.2	88.6	126.3	—14	+43	231.6	215.0	— 7
33	Iron and steel	418.9	310.4	189.9	—55	—39	704.3	500.3	—29
28	Electrical equip., radio & tv	109.1	103.3	101.7	— 7	— 2	204.8	205.0	+..†
47	Machinery	110.5	88.8	99.4	—10	+12	180.9	188.2	+ 4
13	Nonferrous metals	84.7	55.5	67.8	—20	+22	153.6	123.4	—20
80	Other metal products	108.7	77.2	84.5	—22	+ 9	185.0	161.7	—13
36	Automobiles & parts	569.2	542.7	480.7	—16	—11	1,078.5	1,023.4	— 5
19	Other transp. equipment	28.5	23.7	31.2	+ 9	+31	55.0	55.0	—..†
52	Miscellaneous manufacturing	99.1	83.4	100.4	+ 1	+20	174.7	183.6	+ 5
533	Total manufacturing	2,806.7	2,520.3	2,401.9	—14	— 5	5,224.4	4,922.3	— 6
22	Mining & quarrying	38.6	30.8	38.4	—..†	+25	70.7	69.3	— 2
33	Trade (retail and wholesale)	50.7	48.0	48.9	— 3	+ 2	100.0	96.9	— 3
24	Service & amusement	17.9	18.6	20.5	+14	+10	34.5	39.0	+13
50	Railroads	190.8	99.9	126.4	—34	+27	294.0	226.3	—23
54	Electric power, gas, etc.	170.8	236.7	190.5	+12	—20	398.7	427.2	+ 7
5	Telephone & telegraph	304.8	306.6	326.0	+ 7	+ 6	581.9	632.6	+ 9
721	Total	$3,580.3	$3,260.9	$3,152.6	—12	— 3	$6,704.4	$6,413.5	— 4

*Per cent changes and totals computed from unrounded data. †Increases or decreases of under 1% or over 100% not shown.

Detroit Bond Club Elects Officers

DETROIT, Mich.—Bond Club of Detroit at their annual meeting elected Julius Pochelon, of Kenower, MacArthur & Co. President for the coming year, succeeding Harry A. McDonald, Jr. of McDonald, Moore & Co.

Other officers elected were; Vice-President, Richard J. Wallace of Braun, Bosworth & Co. and as Secretary-Treasurer, Richard C. Spaulding of H. V. Sattley & Co.

Joseph M. Ryan of Ryan, Sutherland & Co., was elected to the Board. Other Directors are; Harry A. McDonald, Ex-Officio, John G. Martin, First of Michigan Corporation, and Thaddeus Obuchowski of Goodbody & Co.

At this meeting plans were completed for the Annual Fall Outing to be held at Lochmoor Country Club, Grosse Pointe Woods, Michigan on Oct. 4, 1960.

Shearson, Hammill Branch

JERSEY CITY, N. J.—Shearson, Hammill & Co. has opened a branch office at 891 Bergen Avenue under the management of Charles K. Krieger.

Forms Fialkov Co.

WESTBURY, N. Y. — Fialkov & Co., Inc. has been formed with offices at 14 Barry Drive to engage in a securities business. Officers are Max Fialkov, President and Treasurer; John De Nigris, Vice-President and Assistant Secretary, and Harold I. Kahen, Secretary. Mr. De Nigris was formerly with Oppenheimer & Co. and Shufro, Rose & Co.

Form Fundamental Plann'g

ROCHESTER, N. Y.—Fundamental Planning Corporation has been formed with offices at 8 Exchange Street to engage in a securities business. Officers are Leonard Tebor, President and Treasurer; and L. L. Tebor, Vice-President and Secretary.

Electronic Inv. Securities

FT. LEE, N. J.—Edna L. Mitchell is engaging in a securities business from offices at 2339 Route 4 under the firm name of Electronic Investment Securities. Miss Mitchell was formerly with Oppenheimer & Co.

Gottfurcht Opens

BEVERLY HILLS, Calif.—Fred H. Gottfurcht is engaging in a securities business from offices at 9704 Santa Monica Boulevard under the firm name of Gottfurcht Investment Securities Co.

Bank Women Name Panelists

Eight women bank officers will participate in a panel discussion, "The Changing World of Banking," at the 38th Annual Convention of the National Association of Bank Women, Oct. 10 to 13 at the Huntington-Sheraton Hotel, Pasadena.

General Convention Chairman Mrs. Louise Crew, Assistant Cashier, First Western Bank and Trust Co., Pasadena Main Office, announces these panelists: Mrs. Kathleen Messner, Assistant Cashier, First National Bank & Trust Co., Hamilton, Ohio; Mrs. Marion Y. Bucknell, President, Bank of Upper Lake, Calif.; Miss Mildred E. Foy, Trust Officer, The Riggs National Bank, Washington, D. C.; Mrs. Elsie J. Goernandt, Executive Vice-President, The Elk State Bank, Clyde, Kansas; Miss Beth W. Jefferson, Assistant Treasurer, Woodbury Savings Bank, Woodbury, Conn.; Mrs. Nancye B. Staub, Trust Officer, The Trust Company of Morris County, Morristown, N. J.; Mrs. Jewel S. Baskin, Assistant Cashier, The Citizens and Southern National Bank of South Carolina, Columbia, S. C.; Mrs. Lois L. Neighbors, Vice-President, National Bank of Commerce, Tulsa, Okla.; Panel moderator will be Miss Mary De Martini, Assistant Trust Officer, First National Bank of Oregon, Portland.

Another panel, composed of representatives from education, medicine, journalism and banking fields, will cover "Women's Viewpoint in a Changing World."

In addition to these two panels, more than 500 bank women delegates will hear these prominent speakers:

Carl A. Bimson, President, American Bankers Association, and President of Valley National Bank, Phoenix; Jerry Wald, 20th Century-Fox Film Corp., producer; Milton F. Darr Jr., President, American Institute of Banking, and Vice-President, La Salle National Bank, Chicago; Hon. Mildred M. Lillie, Justice of the Appellate Court, State of California, and Mrs. J. Maria Pierce, educator and civic leader, Pasadena.

All NABW members hold executive positions in banks. The group was organized in 1921 with 16 members. Currently there are 12,506 women bank officers and directors in the U. S., up from 11,000 last Dec. 31.

With First Maine Corp.

(Special to The Financial Chronicle)

PORTLAND, Maine — Porter D. Leighton has become connected with First Maine Corporation, 84 Exchange Street.

Named Director

John C. Colman, Vice-President of A. G. Becker & Co., Incorporated has been named a director of Premier Industrial Corporation, it has been announced.

First Atlantic Secs.

Jerome Salz is conducting a securities business from offices at 160 Broadway, New York City under the firm name of First Atlantic Securities Co.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

FIRST SECURITY CORPORATION (UTAH)

More than ordinary profitability from bank stock investments is clearly exemplified by one of the nation's major bank holding companies, First Security Corporation. In less than two years, stockholders have seen their investment appreciate over 60% in the market, have received a cash dividend increase, and have been paid a 2% stock dividend. Proponents of holding company banking, point to such advantages as unification of direction, retention of key personnel and local bank identity, benefits of effective cost control and improved ability to attract capital.

Should approval be given by stockholders and bank authorities to the recently proposed holding company to affiliate New York City's Bankers Trust Company and County Trust Company of White Plains, N. Y., a stepped-up trend in holding company formations by other banking institutions may result. Although the holding company route may be considered less satisfactory to the proponents of branch banking for strengthening a banking system, it can be conceded that such expansion is likely to accelerate the ultimate transition for the United States to branch banking on a national scale.

Probably the main advantage of the holding company is the ability to operate interstate or regional offices, a key factor for First Security Corp. with its physical locations in the intermountain region covering Utah, Wyoming and Idaho. Headquartered in Salt Lake City, First Security Corp., is the parent of four banks with some 80 banking offices. Its major holding is Utah's largest bank, First Security Bank of Utah with deposits of $283 million on June 30, 1960. Other banks include First Security Bank of Idaho (Boise) with deposits of $197 million, Union Bank & Trust Co., Salt Lake City, and First Security Bank of Rock Springs, Wyoming.

The holding company is under the able management of the Eccles family. Marriner S. Eccles is a member of this well known banking family, and serves as Chairman. To the general public his successful experience as former long-time Chairman of the Board of Governors of the Federal Reserve System immediately comes to mind. For First Security Corp., a central Investment Committee makes recommendations for security transactions and tax guidance to the individual banks in its regional system. Healthy competition is provided not only by unit banks in the three states, but by another bank holding company, Firstamerica Corp., which also operates banks in Utah, Idaho and Wyoming.

Several diverse productive activities are serviced in the intermountain region including missile and atomic energy projects, oil and gas production, steel, uranium, phosphate and copper mining, lumber and paper production and food processing. Bank offices are maintained at five military facilities. Thus the area has undergone a significant transformation from its pioneer status of a few decades ago.

Consolidated Statement of Condition

(In millions of dollars)

ASSETS—	—Dec. 31, 1959—		—Dec. 31, 1958—		Dec. 31,'57
Cash	$97.5	17.5%	$90.2	16.2%	20.2%
U. S. Governm'ts	108.1	19.4	135.1	24.2	21.9
Other securities	51.5	9.2	49.7	8.9	7.0
Loans	287.5	51.6	271.4	48.6	48.7
(Real estate)	(54.8)	(19.1)	(59.2)	(21.8)	(18.6)
Other assets	12.9	2.3	11.6	2.1	2.2
Total assets	$557.5	100.0%	$558.0	100.0%	100.0%
LIABILITIES—					
Capital funds	$33.5	6.0%	$33.9	6.1%	5.8%
Deposits	511.3	91.7	509.8	91.4	91.6
(Time deposits)	(189.2)	(37.0)	(187.7)	(33.6)	(34.8)
Reserves	5.7	1.0	9.0	1.6	1.6
Other liabilities	7.0	1.3	5.3	0.9	1.0
Total liabilities	$557.5	100.0%	$558.0	100.0%	100.0%

Selected Per Share Statistics*

Year—	Consol. Oper. Earnings	Indic. Dividend	Book Value	% Earned on Book Value	P/E Ratio	Approx. Bid Price Range
1960	---	$0.900	----	---	---	33 - 29
1959	$2.16	0.833	$13.50	15.7%	13.2	30 - 27
1958	2.11	0.833	14.09	16.0	10.2	24 - 19
1957	1.75	0.735	12.25	15.3	10.9	20 - 18
1956	1.49	0.735	10.66	13.5	13.1	20 - 19
1955	1.54	0.588	11.42	14.0	11.0	19 - 15
1954	1.49	0.539	10.62	14.6	9.1	16 - 11

*Adjusted for 2-for-1 stock split and 2% stock dividend in 1960.

The major source of earnings growth comes from the vigorous loan policy followed which furthers the progress of agriculture, commerce, and industry of every nature in the region. Sizable real estate loans are made and the system's Timeway loans for the purchase of automobiles, for home modernization and for meeting small business and personal needs have achieved strong growth. Since 1950 loans have had a growth of more than 150%.

During this same period consolidated banking assets have nearly doubled, while deposits have increased over 75%. As can be noted in the table presented, savings deposits are sizable. Electronic data processing equipment is being installed for the banking system and full operation is scheduled by early 1961.

About one year ago, a major reorganization was effected in order to conform with the Bank Holding Company Act of 1956, which requires bank holding companies to separate their banking assets from non-banking holdings. Thus legally First Security Corp., is a new company, although from an operational viewpoint the record started back in the 1920s.

Non-banking properties are now held by First Security Investment Company and include stock in First Security Savings & Loan Association (Idaho), First Security Savings and Loan, Inc. (Utah), Ed D. Smith & Sons (Utah), First Security Life Insurance Co. of Texas as well as stock in other non-banking properties. Stockholders in 1959 were issued the same number of shares in both holding corporations under the reorganization.

At the current price of 31, a yield of 2.7% is obtained on the indicated annual dividend of $0.90, paid semi-annually. In June, 1960 First Security Corp. stock was split 2-for-1 and a 2% stock dividend was paid. Traded over-the-counter, 2,484,000 of the authorized 3,200,000 shares are outstanding. The non-banking asset holding company, First Security Investment Co., presently sells at around $8 a share.

Europe's Trade Association Countries Outstripping Canada and the U.S.

Industrial output by the Common Market nations in particular, with the European Free Trade Association following, has been exceeding ours over the past six years, National Industrial Conference Board finds. Suspects temporary over-capacity in U. S. Notes greatest price rises, with labor shortages, in Common Market.

Industrial output in the nations comprising the European Common Market and the European Free Trade Association has expanded at a much more rapid pace during the past six years than has output in Canada or the United States, the National Industrial Conference Board reports in a comprehensive analysis.

Moreover, The Conference Board notes, industrial output in the Common Market region during this period has expanded more rapidly than in the Free Trade Association nations.

Especially noteworthy is the steady and rapid rise of manufacturing production in the European Common Market nations (France, West Germany, Belgium, Luxembourg, the Netherlands and Italy). As of 1959, output in that group averaged 157% of the 1953 level. By contrast, manufacturing output in the Free Trade Association countries (Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom) was 125% of the 1953 level.

In Canada and the United States, 1959 manufacturing production was respectively only 117% and 112% of 1953 levels.

Europe's Capital Boom

The statistical record, The Conference Board finds, points to a widespread capital boom in Europe, which is still evident in early 1960 at a time when the United States economy is struggling to regain the level of 1957. In virtually all instances (Luxembourg and Denmark are exceptions), the volume of capital goods output has increased at a much faster rate than the overall volume of gross national product. Regarding the United States, the NICB notes that the comparatively modest increase in the volume of expenditures on capital goods in this nation may be owing to the temporary overcapacity in some sectors of the U. S. economy.

The Common Market countries, especially, have shown a substantial expansion in the volume of gross fixed capital, The Conference Board reports. In 1958, their production of capital goods was 146% of the 1953 level, compared with 132% for the volume of GNP. The Free Trade Association group has also advanced its expenditures for capital investment, although its 1958 level of 126% is well below that shown by the Common Market members. Canada's 1958 level of expenditures for capital investment is also 126% of the 1953 mark, while the U. S. now stands at 106% of 1953.

Prices and Money Supply

Price rises in the Common Market countries have taken place at a greater rate than in the rest of Europe, and at a faster rate more recently than in the years between 1953 and 1956. One explanation of this faster rise in prices is the increasing pressure that the expansion of output has placed on available resources in the Common Market nations. This point of view is supported by the frequent reports of labor shortages in those countries and a growing inclination of labor unions to press for a greater return for their members.

With respect to money supply, expansion has occurred in all of the national economies quite steadily between 1953 and 1959, the NICB finds. The Common Market expanded its money supply (currency in circulation and demand deposits) at a rate well in excess of the expansion in real gross national product. In the Free Trade Association, as in the United States, the expansion of money supply more nearly matched output.

J. R. Holt Adds

(Special to The Financial Chronicle)

DENVER, Colo. — Maurice D. Scruggs has been added to the staff of J. R. Holt & Co., 1700 Broadway. He was formerly with Purvis & Co.

First Midwestern Opens

(Special to The Financial Chronicle)

BLOOMINGTON, Minn.—Norman E. Kirklund is engaging in a securities business from offices at 1665 East Old Shakopee Road under the firm name of First Midwestern Financial Planning Company.

With Kidder, Peabody

(Special to The Financial Chronicle)

BOSTON, Mass. — Charles F. Batchelder has joined the staff of Kidder, Peabody & Co., 75 Federal Street.

Joins Sheeline Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—William P. Hurley has joined the staff of Paul D. Sheeline & Co., 31 Milk Street.

Managers Named at Reynolds Newark Branch

NEWARK, N. J.—Reynolds & Co., members of the New York Stock Exchange and other leading security and commodity exchanges, announce that Donald D. Button has been appointed resident manager and Donald J. Zadoff office manager of the firm's newly opened Newark, N. J. office at 60 Park Place (Military Park Bldg.).

Hooper, Bowers & Hilliard in Chicago

CHICAGO, Ill.—Formation of the first Negro-owned and -staffed investment firm in Illinois, Hooper, Bowers & Hilliard, Inc., 765 East Oakwood Boulevard, has been announced. Its principals are Earl Hooper, Nathaniel H. Bowers, and William H. Hilliard.

Mr. Hooper has been registered representative in Chicago for McGhee & Co., of Cleveland, for the past five years.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Sept. 24	§53.9	*53.0	54.3	12.8
Equivalent to—					
Steel ingots and castings (net tons)	Sept. 24	§1,537,000	*1,510,000	1,547,000	362,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Sept. 9	6,874,310	6,823,860	6,834,210	6,812,975
Crude runs to stills—daily average (bbls.)	Sept. 9	¶8,271,000	8,294,000	8,335,000	8,181,000
Gasoline output (bbls.)	Sept. 9	30,004,000	29,200,000	30,015,000	29,490,000
Kerosene output (bbls.)	Sept. 9	2,783,000	2,701,000	2,823,000	2,180,000
Distillate fuel oil output (bbls.)	Sept. 9	12,943,000	12,774,000	13,314,000	11,938,000
Residual fuel oil output (bbls.)	Sept. 9	6,250,000	6,027,000	6,090,000	6,098,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Sept. 9	188,886,000	188,665,000	191,836,000	183,491,000
Kerosene (bbls.) at	Sept. 9	34,521,000	33,884,000	31,224,000	32,787,000
Distillate fuel oil (bbls.) at	Sept. 9	159,108,000	153,023,000	140,647,000	168,578,000
Residual fuel oil (bbls.) at	Sept. 9	47,793,000	*47,078,000	43,969,000	58,778,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Sept. 10	481,057	577,090	599,908	477,616
Revenue freight received from connections (no. of cars)	Sept. 10	444,225	490,884	486,378	446,882
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Sept. 15	$423,300,000	$427,200,000	$455,100,000	$298,500,000
Private construction	Sept. 15	178,200,000	243,600,000	238,900,000	172,600,000
Public construction	Sept. 15	245,100,000	183,600,000	216,200,000	125,900,000
State and municipal	Sept. 15	215,200,000	121,200,000	158,500,000	102,100,000
Federal	Sept. 15	29,900,000	62,400,000	57,700,000	23,800,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Sept. 10	6,490,000	*7,730,000	8,050,000	6,414,000
Pennsylvania anthracite (tons)	Sept. 10	299,000	376,000	330,000	348,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Sept. 10	130	*147	131	133
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sept. 17	13,903,000	14,216,000	14,453,000	12,779,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Sept. 15	305	276	279	264
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sept. 13	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Sept. 13	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Sept. 13	$31.83	$32.50	$32.50	$41.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Sept. 14	32.600c	32.600c	32.600c	30.975c
Export refinery at	Sept. 14	28.800c	28.675c	29.950c	28.050c
Lead (New York) at	Sept. 14	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Sept. 14	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Sept. 14	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Sept. 14	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	Sept. 14	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Sept. 14	102.250c	102.250c	103.250c	102.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sept. 20	89.50	88.85	89.11	80.90
Average corporate	Sept. 20	87.59	87.86	87.59	84.43
Aaa	Sept. 20	92.06	92.35	92.35	88.27
Aa	Sept. 20	90.06	90.06	89.78	85.98
A	Sept. 20	87.05	87.18	86.91	83.91
Baa	Sept. 20	81.90	82.52	81.66	79.84
Railroad Group	Sept. 20	84.94	84.94	84.68	83.79
Public Utilities Group	Sept. 20	88.81	89.37	88.81	83.40
Industrials Group	Sept. 20	89.23	89.51	89.09	85.98
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sept. 20	3.58	3.65	3.62	4.45
Average corporate	Sept. 20	4.59	4.57	4.59	4.83
Aaa	Sept. 20	4.27	4.25	4.25	4.54
Aa	Sept. 20	4.41	4.41	4.43	4.71
A	Sept. 20	4.63	4.62	4.64	4.87
Baa	Sept. 20	5.03	4.98	5.05	5.20
Railroad Group	Sept. 20	4.79	4.79	4.81	4.88
Public Utilities Group	Sept. 20	4.50	4.46	4.50	4.91
Industrials Group	Sept. 20	4.47	4.45	4.48	4.71
MOODY'S COMMODITY INDEX	Sept. 20	363.4	361.9	363.3	382.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Sept. 10	246,054	312,762	303,937	264,056
Production (tons)	Sept. 10	237,708	326,644	314,180	250,491
Percentage of activity	Sept. 10	70	94	92	76
Unfilled orders (tons) at end of period	Sept. 10	416,175	418,445	461,915	567,295
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Sept. 16	109.60	109.77	109.62	109.23
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Aug. 26	2,200,970	2,140,240	2,309,810	1,679,460
Short sales	Aug. 26	409,800	391,010	366,650	278,270
Other sales	Aug. 26	1,801,530	1,695,920	2,080,600	1,402,740
Total sales	Aug. 26	2,211,330	2,086,930	2,447,250	1,681,010
Other transactions initiated off the floor—					
Total purchases	Aug. 26	442,320	393,960	266,790	237,040
Short sales	Aug. 26	61,030	50,500	65,540	10,300
Other sales	Aug. 26	368,200	308,500	258,500	202,000
Total sales	Aug. 26	429,230	359,000	324,040	212,300
Other transactions initiated on the floor—					
Total purchases	Aug. 26	759,635	604,095	600,600	531,104
Short sales	Aug. 26	118,000	91,480	97,750	78,870
Other sales	Aug. 26	744,058	653,115	491,205	643,880
Total sales	Aug. 26	862,058	744,595	588,955	722,750
Total round-lot transactions for account of members—					
Total purchases	Aug. 26	2,402,925	3,138,295	3,177,200	2,447,604
Short sales	Aug. 26	588,830	532,990	529,940	367,440
Other sales	Aug. 26	2,913,788	2,657,535	2,830,305	2,248,620
Total sales	Aug. 26	3,502,618	3,190,525	3,360,245	2,616,060
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Aug. 26	1,571,970	1,488,187	1,634,549	1,288,581
Dollar value	Aug. 26	$76,099,644	$72,799,692	$81,247,404	$65,946,288
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Aug. 26	1,582,633	1,426,451	1,293,471	1,118,526
Customers' short sales	Aug. 26	8,572	8,678	18,365	8,818
Customers' other sales	Aug. 26	1,574,061	1,417,773	1,275,106	1,109,708
Dollar value	Aug. 26	$72,733,287	$66,665,560	$62,881,602	$65,946,288
Round-lot sales by dealers—					
Number of shares—Total sales	Aug. 26	521,060	419,590	335,580	304,290
Short sales	Aug. 26	------	------	------	------
Other sales	Aug. 26	521,060	419,590	335,580	304,290
Round-lot purchases by dealers—Number of shares	Aug. 26	508,060	498,320	670,450	499,150
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Aug. 26	858,170	669,760	723,430	448,020
Other sales	Aug. 26	14,908,310	13,478,450	13,590,720	10,446,460
Total sales	Aug. 26	15,766,480	14,148,210	14,314,150	10,894,480
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Sept. 13	119.4	119.4	119.3	119.6
Farm products	Sept. 13	87.1	87.4	86.6	88.9
Processed foods	Sept. 13	108.2	107.5	107.8	107.8
Meats	Sept. 13	96.3	94.7	96.4	100.8
All commodities other than farm and foods	Sept. 13	128.3	128.3	128.3	128.3

*Revised figure. ¶Includes 1,085,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
CONSUMER PRICE INDEX—1947-49 = 100—			
Month of July:			
All items	126.6	126.5	124.9
Food	120.6	120.3	119.4
Food at home	117.9	117.7	117.1
Cereal and bakery products	137.5	136.1	134.4
Meats, poultry and fish	110.8	110.3	112.0
Dairy products	115.8	115.0	113.3
Fruits and vegetables	134.4	136.1	130.8
Other food at home	104.8	104.5	105.7
Food away from home (Jan. 1953=100)	118.9	118.8	116.2
Housing	131.3	131.3	129.0
Rent	141.8	141.6	139.6
Gas and electricity	124.8	124.7	119.5
Solid fuels and fuel oil	132.9	132.3	134.0
Housefurnishings	104.1	104.3	104.0
Household operation	137.4	137.3	134.3
Apparel	109.1	108.9	107.5
Men's and boys'	110.2	109.8	108.3
Women's and girls'	99.4	99.1	98.8
Footwear	139.8	140.1	135.2
Other apparel	93.1	93.1	92.3
Transportation	145.9	145.8	146.3
Private	134.2	134.1	135.2
Public	200.3	199.7	194.2
Medical care	156.4	156.1	151.0
Personal care	133.4	133.2	131.3
Reading and recreation	121.6	121.1	119.1
Other goods and services	132.2	132.0	130.8
COTTON GINNING (DEPT. OF COMMERCE):			
To August 31	822,575	------	1,044,293
COTTON PRODUCTION (DEPT. OF COMMERCE): (running bales) as of Sept. 1	14,581,000	14,471,000	14,508,237
CROP PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—			
Crop as of Sept. 1 (in thousands):			
Corn, all (bushels)	4,182,467	4,111,954	4,361,170
Wheat, all (bushels)	1,367,711	1,361,968	1,128,151
Winter (bushels)	1,116,610	1,116,610	923,449
All spring (bushels)	251,101	245,358	204,702
Durum	35,592	32,716	20,682
Other spring (bushels)	215,509	212,642	184,020
Oats (bushels)	1,178,085	1,166,617	1,073,982
Barley (bushels)	414,922	410,967	420,191
Rye (bushels)	31,084	31,084	21,495
Flaxseed (bushels)	29,937	28,419	22,709
Rice (100-lb. bag)	52,547	52,964	53,122
Sorghum grain (bushels)	590,613	538,885	579,178
Cotton (bale)	14,581	14,471	14,558
Hay, all (ton)	117,005	115,280	112,764
Hay, wild (ton)	10,564	10,518	8,911
Hay, alfalfa (ton)	66,817	66,262	64,739
Hay, clover and timothy (ton)	22,869	22,218	22,128
Hay, lespedeza (ton)	3,992	3,848	4,377
Beans, dry edible (cleaned) (100-lb. bag)	17,713	17,392	18,212
Peas, dry field (cleaned) (100-lb. bag)	2,732	2,752	4,375
Soybeans for beans (bushels)	566,336	547,933	537,895
Peanuts (pounds)	1,688,075	1,626,070	1,592,295
Potatoes (hundredweight):			
Winter	3,114	3,114	4,005
Early spring	3,287	3,287	3,144
Late spring	28,212	28,212	23,558
Early summer	15,091	15,003	14,277
Late summer	31,768	31,794	33,519
Fall	171,609	174,856	164,778
Total	253,081	256,266	243,281
Sweetpotatoes (cwt.)	14,885	14,297	18,703
Tobacco (pounds)	1,894,826	1,867,271	1,797,087
Sugarcane for sugar and seed (ton)	8,173	7,744	7,318
Sugar beets (ton)	16,638	16,845	17,015
Broomcorn (ton)	20	23	31
Hops (pounds)	47,105	46,471	53,600
Apples, commercial crop (bushels)	109,220	109,400	121,787
Peaches (bushels)	74,460	73,614	74,339
Pears (bushels)	26,406	27,181	30,191
Grapes (ton)	3,072	3,120	3,139
Cherries (ton)	196	196	215
Apricots (ton)	237	238	230
Cranberries (bbls.)	1,288	------	1,237
Pecans (pounds)	185,200	181,600	143,500
MANUFACTURERS' INVENTORIES AND SALES			
Month of July (millions of dollars):			
Inventories—			
Durables	$31,700	$32,100	$30,100
Nondurables	22,600	*22,700	21,700
Total	$54,300	*$54,800	$51,800
Sales	28,100	*31,600	29,200
MONEY IN CIRCULATION—TREASURY DEPT.			
As of June 30 (000's omitted)	$32,100,000	$31,900,000	$31,900,000
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S.—AUTOMOBILE MANUFACTURERS' ASSN.—Month of August:			
Total number of vehicles	372,095	516,201	602,573
Number of passenger cars	307,455	434,727	239,078
Number of motor trucks	64,335	81,109	363,473
Number of motor coaches	305	365	22
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of August	£23,841,000	£55,913,000	£22,459,000
PORTLAND CEMENT (BUREAU OF MINES)—			
Month of July:			
Production (barrels)	31,982,000	31,930,000	34,180,000
Shipments from mills (barrels)	32,674,000	34,045,000	37,046,000
Stocks at end of month (barrels)	36,685,000	37,667,000	30,415,000
Capacity used (per cent)	88	91	99
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of July:			
Total operating revenues	$759,077,945	$824,182,360	$821,510,212
Total operating expenses	628,732,537	644,027,158	658,498,911
Taxes	74,452,589	92,295,144	85,788,103
Net railway operating before charges	23,984,146	57,025,666	48,796,586
Net income after charges (estimated)	11,000,000	43,000,000	31,000,000
RUBBER MANUFACTURING ASSOCIATION INC.—Month of July:			
Passenger and Motorcycle Tires (Number of):			
Shipments	8,915,218	*10,290,499	9,248,535
Production	8,679,590	*9,544,227	9,862,034
Inventory	22,096,743	22,270,957	16,866,936
Tractor Implement Tires (Number of)—			
Shipments	271,274	288,550	326,178
Production	240,206	*306,552	409,154
Inventory	919,196	938,288	789,035
Truck and Bus Tires (Number of)—			
Shipments	1,197,288	*1,216,328	1,289,904
Production	1,109,063	*1,318,773	1,366,424
Inventory	4,011,523	4,087,637	3,023,225
Passenger, Motorcycle, Truck and Bus Inner-Tubes (Number of)—			
Shipments	3,438,607	*3,546,889	3,917,767
Production	3,260,909	*3,425,831	4,344,655
Inventory	10,626,612	10,699,550	7,559,521
Tread Rubber (Camelback)—			
Shipments (pounds)	35,014,000	42,038,000	42,100,000
Production (pounds)	35,641,000	42,647,000	46,748,000
Inventory (pounds)	24,294,000	24,205,000	31,478,000

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Adler Built Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For acquisition and development of land and operating capital. **Office**—1201 W. 66th St., Hialeah, Fla. **Underwriter** — American Diversified Securities, Inc., Washington, D. C.

Admiral Homes, Inc. (9/26-30)
Aug. 15, 1960, filed $400,000 of convertible subordinated debentures, due 1970. **Price**—100% of principal amount. **Business**—The manufacture and sale of pre-fabricated homes. **Proceeds**—To be added to the working capital of the company and its subsidiary. **Office** — 149 Water Street, West Newton, Pa. **Underwriter** — Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

Adson Industries, Inc.
July 20, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company is a general contractor. **Proceeds**—For general corporate purposes. **Office**—116-55 Queens Boulevard, Forest Hills 75, N. Y. **Underwriter**—Bennett & Co., Newark, N. J.

● Ajax Magnethermic Corp. (9/26-30)
Aug. 17, 1960 filed 150,000 shares of common stock (no par), of which 50,000 shares are to be offered for the account of the company, and 100,000 shares for the present holders thereof. **Price**—To be supplied by amendment. **Business**—The production of a complete line of induction heating equipment. **Proceeds** — For working capital and general corporate purposes. **Office** — 3990 Simon Road, Youngstown, Ohio. **Underwriter**—Hayden, Stone & Co. of New York City (managing).

★ Alarm Device Manufacturing Co. Inc. (10/10-14)
Sept. 19, 1960 filed 130,500 shares of outstanding common stock (par 10 cents). **Price** — $4 per share. **Business**—Manufacture and sale of burglar and fire alarm equipment. **Proceeds**—To selling stockholders. **Office**—1665 St. Marks Ave., Brooklyn, N. Y. **Underwriter**—Golkin, Bomback & Co., New York, N. Y.

Aldens Inc. (9/30)
Aug. 24, 1960 filed $6,205,000 of convertible subordinated debentures, due Oct. 1, 1980, to be offered to holders of the outstanding common of record Sept. 30, 1960, on the basis of $100 of such debentures for each 14 common shares then held with rights to expire on Oct. 17. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Lehman Brothers, New York City.

★ Allegri-Tech, Inc.
Sept. 21, 1960 filed 100,000 shares of $1 par common stock. **Price** — $6 per share. **Business** — The company makes and sells printed circuitry and modules. **Proceeds** — To pay bank notes and other indebtedness incurred for equipment, to finance leasehold improvements, and for research and development expenses. **Office** — 141 River Road, Nutley, N. J. **Underwriter**—Myron A. Lomasney & Co., New York City.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This offering has been postponed.

★ Allied Maintenance Corp. (11/2)
Sept. 15, 1960 filed 152,500 shares of capital stock (par $3.75). **Price**—To be supplied by amendment. **Business**—Building maintenance and the consolidated operation of ground services for the air transport industry. **Proceeds** — To members of the Fraad family, selling stockholders. **Office** — 350 Fifth Ave., New York City. **Underwriter**—Wertheim & Co., New York City.

● Aluminum Insulating Co., Inc.
Aug. 22, 1960 (letter of notification) 225,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For retirement of a bank loan, selling, advertising, promotion and for working capital. **Office**—558 W. 18th St., Hialeah, Fla. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in October.

Amacorp Industrial Leasing Co., Inc. (10/17-21)
Sept. 9, 1960 filed 170,000 shares of common stock (no par), of which 40,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder, and 130,000 shares will be offered for the account of the issuing company. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business**—The financing of industrial and office equipment through the purchase and leasing of such property to its customers. **Office**—Alhambra, Calif. **Underwriter**—McDonnell & Co., New York City (managing).

Continued on page 37

NEW ISSUE CALENDAR

September 26 (Monday)

Admiral Homes, Inc.______Convertible Debentures
(Arthurs, Lestrange & Co.) $400,000
Ajax Magnethermic Corp.______Common
(Hayden, Stone & Co.) 150,000 shares
Arnoux Corp.______Common
(Shearson, Hammill & Co.) 133,000 shares
Commonwealth Electronics Corp.______Common
(L. L. Bost Co.) $300,000
Del Electronics Corp.______Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000
Duncan Coffee Co.______Capital
(Bear, Stearns & Co.) 260,000 shares
Edwards Engineering Corp.______Common
(Sandkuhl & Company, Inc.) $297,500
Fairmount Finance Co.______Common
(J. T. Patterson & Co., Inc.) $290,000
Foto-Video Electronics Corp.______Class B
(Fund Planning, Inc.) $500,000
Four Star Television______Capital
(Dempsey-Tegeler & Co.) 120,000 shares
Frouge Corp.______Common
(Van Alstyne, Noel & Co.) 150,000 shares
Frouge Corp.______Debentures
(Van Alstyne, Noel & Co.) $1,500,000
Indian Head Mills, Inc.______Common
(Blair & Co. and F. S. Smithers & Co.) 60,000 shares
International Safflower Corp.______Common
(Copley & Co.) $300,000
Lytton Financial Corp.______Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 354,000 shares
Milgo Electronic Corp.______Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co.) 65,000 shares
Missouri Public Service Co.______Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co.) 258,558 shares
Nucleonic Corp. of America______Common
(Bertner Bros. and Earl Edden Co.) $300,000
Resiflex Laboratory, Inc.______Common
(Blunt Ellis & Simmons) 100,000 shares
Reva Enterprises, Inc.______Common
(Blair & Co., Inc. and Chace, Whiteside & Winslow, Inc.) 200,000 shares
Russell Stover Candies, Inc.______Common
(Harriman Ripley & Co., Inc. and Stern Brothers) 200,000 shrs.
Sealed Air Corp.______Common
(Bertner Bros. and Earl Edden Co.) $100,000
Softol, Inc.______Common
(Harwyn Securities, Inc.) $300,000
Spier Electronics, Inc.______Common
(D'Amico & Co., Inc.) $300,000
Tele-Tronics Co.______Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000
Trav-ler Radio Corp.______Debentures
(Lee Higginson Corp. and Straus, Blosser & McDowell) $2,200,000
Triangle Lumber Corp.______Common
(Bear, Stearns & Co.) $1,102,400
Wenwood Organizations Inc.______Debentures
(Michael G. Kletz & Co., Inc.) $550,000

September 27 (Tuesday)

Avionics Investing Corp.______Capital
(S. D. Fuller & Co.) $4,000,000
Gulton Industries, Inc.______Common
(Lehman Brothers and G. H. Walker & Co.) 100,000 shares
Indianapolis Power & Light Co.______Bonds
(11:00 a. m. N. Y. Time) $12,000,000
National Capital Corp.______Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000
Perfect Photo, Inc.______Convertible Debentures
(Harriman Ripley & Co., Inc.) $4,500,000
Southern Pacific Co.______Equip. Trust Ctfs.
(Bids noon) $7,500,000
Stamford Chemical Industries, Inc.______Common
(G. H. Walker & Co.) $280,000
Whitmoyer Laboratories, Inc.______Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000
Whitmoyer Laboratories, Inc.______Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

September 28 (Wednesday)

Australia (Commonwealth of)______Bonds
(Morgan Stanley & Co.) $25,000,000
New York Telephone Co.______Bonds
(Bids 11:00 a.m.) $60,000,000

September 29 (Thursday)

Bruce National Enterprises, Inc.______Common
(George, O'Neill & Co., Inc.) $2,010,000
Continental Can Co., Inc.______Debentures
(Goldman, Sachs & Co. and Lehman Bros.) $30,000,000
Timely Clothes, Inc.______Conv. Debentures
(Cartwright & Parmalee) $840,000

September 30 (Friday)

Aldens Inc.______Convertible Debentures
(Offering to stockholders—underwritten by Lehman Bros.) $6,205,000
East Central Racing & Breeders Association Inc.______Units
(No underwriting) $780,000

October 3 (Monday)

American Recreation Centers, Inc.______Debentures
(York & Co.) $600,000
American Recreation Centers, Inc.______Capital
(York & Co.) 60,000 shares
American Title Insurance Co.______Common
(A. C. Allyn & Co., Inc. and Bache & Co.) 301,884 shares
Brothers Chemical Co.______Common
(Sandkuhl & Company, Inc.) $300,000
Cyclomatics, Inc.______Common
(General Securities Co.) $250,000
Dalto Corp.______Common
(No underwriting) 134,739 shares
Ennis Business Forms, Inc.______Common
(Kidder, Peabody & Co.) 74,546 shares
Florida Hillsboro Corp.______Units
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) $1,150,000
Heldor Electronics Manufacturing Corp.______Com.
(S. Schramm & Co., Inc.) $300,000
Lifetime Pools Equipment Corp.______Common
(First Pennington Corp.) 100,000 shares
Louisiana Gas Service Co.______Common
(No underwriting) 670,000 shares
Nafi Corp.______Debentures
(Shields & Co. and Lehman Brothers) $7,500,000
Portland Turf Association______Bonds
(General Investing Corp.) $300,000
Puritron Corp.______Common
(Bache & Co.) 250,000 shares
Radio Shack Corp.______Common
(Granbery, Marache & Co.) 200,000 shares
Riverview ASC, Inc.______Common
(Mallory Securities, Inc.) $300,000
Standard Instrument Corp.______Common
(Havener Securities Corp.) 50,000 shares
Syntex Corp.______Common
(Allen & Co.) 100,000 shares
Techni Electronics, Inc.______Common
(United Planning Corp.) $225,000
Technical Materiel Corp.______Common
(Kidder, Peabody & Co.) 120,000 shares
Temperature Engineering Corp.______Common
(M. L. Lee & Co., Inc.; Milton D. Blauner & Co., Inc. and F. L. Salomon & Co.) $472,500
Tenax, Inc.______Debentures
(Myron A. Lomasney & Co.) $1,500,000
Youngstown Sheet & Tube Co.______Bonds
(Kuhn, Loeb & Co. and Smith, Barney & Co.) $60,000,000

October 4 (Tuesday)

Kollmorgen Corp.______Common
(Putnam & Co.) 80,330 shares
Pacific Electro Magnetics Co., Inc.______Common
(Pacific Coast Securities Co.) $300,000
San Diego Gas & Electric Co.______Bonds
(Bids 8:00 a.m. PST) $30,000,000
Southern Nevada Power Co.______Preferred
(White, Weld & Co.) $2,000,000
Southern Nevada Power Co.______Bonds
(White, Weld & Co.) $5,000,000
Valdale Co., Inc.______Common
(B. N. Rubin & Co. and H. S. Simmons & Co.) $300,000
Vogue Instrument Corp.______Common
(S. S. Samet & Co., Inc.) $300,000

October 5 (Wednesday)

Intercoast Companies, Inc.______Common
(Schwabacher & Co.) 110,000 shares

October 6 (Thursday)

Columbia Gas System, Inc.______Debentures
(Bids 11:00 a.m.) $30,000,000
Household Finance Corp.______Debentures
(Lee Higginson Corp.; White, Weld & Co. and William Blair & Co.) $50,000,000

October 7 (Friday)

Minitronics, Inc.______Common
(David Barnes & Co., Inc.) $300,000

October 10 (Monday)

Alarm Device Manufacturing Co. Inc.______Common
(Golkin, Bomback & Co.) $522,000
Bowling Investments, Inc.______Common
(Copley & Co.) $300,000
Carco Industries, Inc.______Common
(Myron A. Lomasney & Co.) $750,000
Federated Electronics, Inc.______Common
(J. B. Coburn Associates, Inc.) $300,000
General Acceptance Corp.______Debentures
(Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co.) $20,000,000
Lence Lanes, Inc.______Common
(Marron, Sloss & Co., Inc.) $1,050,000
Robosonics, Inc.______Common
(Mandell & Kahn, Inc.) $900,000
Telephone & Electronics Corp.______Common
(Equity Securities Co.) $264,900
Willer Color Television System, Inc.______Common
(Equity Securities Co.) $242,670

October 11 (Tuesday)

Commonwealth Telephone Co.______Common
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 42,960 shares
Daffin Corp.______Common
(Lehman Bros. and Piper, Jaffray & Hopwood) 150,000 shares
Still-Man Manufacturing Corp.______Class A
(Francis I. duPont & Co.) 150,000 shares

October 13 (Thursday)

Stancil-Hoffman Corp.______Capital
(Pacific Coast Securities Co.) $300,000

October 17 (Monday)

Amacorp Industrial Leasing Co., Inc.______**Common**
(McDonnell & Co., Inc.) 170,000 shares

American Income Life Insurance Co.______**Common**
(Offering to stockholders—underwritten by Ladenburg, Thalmann & Co. and Lee Higginson Corp.) 90,174 shares

American Optical Co.________**Conv. Debentures**
(Kuhn, Loeb & Co.) $8,000,00

Automatic Canteen Co. of America______**Common**
(Glore, Forgan & Co.) 524,000 shares

Automatic Radio Mfg. Co., Inc.___________**Common**
(Paine, Webber, Jackson & Curtis) 623,750 shares

Bzura Chemical Co., Inc.______________**Common**
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) 450,000 shares

Deere (John) Credit Co.______________**Debentures**
(Harriman Ripley & Co., Inc.) $50,000,000

Detroiter Mobile Homes, Inc.____________**Common**
(Hornblower & Weeks) 250,000 shares

Dewey (G. C.) Corp.______________________**Common**
(No underwriting) 64,500 shares

Dorsey Corp. ______________________**Debentures**
(Blair & Co., Inc.) $3,500,000

Dorsey Corp. __________________________**Common**
(Blair & Co., Inc.) 350,000 shares

Eastern Shopping Centers, Inc.____________**Common**
(Offering to stockholders—no underwriting) 1,048,167 shares

Interstate Vending Co.____________________**Common**
(Bear, Stearns & Co.) 235,000 shares

Louisville & Nashville RR.______**Equip. Trust Ctfs.**
(Bids noon EST) $4,125,000

Mohawk Insurance Co.______________________**Common**
(R. F. Dowd & Co., Inc.) $900,000

Nixon-Baldwin Chemicals, Inc.______________**Units**
(Lee Higginson Corp. and P. W. Brooks & Co., Inc.) $4,000,000

Pik-Quik, Inc. _________________________**Common**
(A. C. Allyn & Co., Inc.) 550,000 shares

Preferred Risk Life Assurance Co.__________**Common**
(Preferred Investments, Inc.) $1,500,000

Welded Tube Co. of America______________**Common**
(H. Hentz & Co.) $840,000

White Avionics Corp.______________________**Common**
(Planned Investing Corp.) $300,000

October 18 (Tuesday)

Daystrom, Inc. ______________________**Debentures**
(Goldman, Sachs & Co. and R. W. Pressprich & Co.) $10,000,000

Louisville Gas & Electric Co.________________**Bonds**
(Bids 10:30 a.m. Chicago time) $16,000,000

October 19 (Wednesday)

Electronics International Capital Ltd.______**Common**
(Bear, Stearns & Co.) $25,000,000

Pacific Lighting Gas Supply Co.________**Debentures**
(Bids 8:30 a.m. California time) $25,000,000

October 20 (Thursday)

Florida Power Corp.__________________________**Bonds**
(Bids 11:30 a.m. N. Y. time) $25,000,000

Green Shoe Manufacturing Co.______________**Common**
(Paine, Webber, Jackson & Curtis and F. S. Moseley & Co.) 420,000 shares

Kings Electronics Co., Inc.__________________**Units**
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

October 24 (Monday)

Electro-Science Investors, Inc.______________**Common**
(Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc.) 772,000 shares

Fotochrome, Inc. _________________________**Common**
(Shearson, Hammill & Co. and Emanuel Deetjen & Co.) 220,000 shares

Horizon Land Corp.__________________________**Units**
(Ross, Lyon & Co., Inc.) $1,500,000

Williamsburg Greetings Corp.______________**Common**
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $1,080,000

October 25 (Tuesday)

American Telephone & Telegraph Co.__**Debentures**
(Bids to be received) $250,000,000

Polymer Corp. __________________________**Common**
(White, Weld & Co. and A. G. Edwards & Sons) 20,000 shares

Polymer Corp.___________________**Conv. Debentures**
(White Weld & Co. and A. G. Edwards & Sons) $2,750,000

October 28 (Friday)

Chemtronic Corp. ________________________**Common**
(Jay W. Kaufman & Co.) $400,000

Cornet Stores ____________________________**Common**
(Kidder, Peabody & Co.) 150,000 shares

October 31 (Monday)

United Gas Corp. ___________________________**Bonds**
(Bids to be received) $30,000,000

United Gas Corp. ______________________**Debentures**
(Bids to be received) $30,000,000

November 1 (Tuesday)

Dubrow Electronic Industries, Inc.______**Common**
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Gay (Connie B.) Broadcasting Corp.______**Common**
(Hill, Darlington & Co.) 130,000 shares

Pacific Gas & Electric Co.___________________**Bonds**
(Bids to be received) $60,000,000

November 2 (Wednesday)

Allied Maintenance Corp.___________________**Capital**
(Wertheim & Co.) 152,500 shares

November 3 (Thursday)

Georgia Power Co._____________________________**Bonds**
(Bids to be invited) $12,000,000

November 7 (Monday)

Gremar Manufacturing Co., Inc.___________**Common**
(Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc.) 100,000 shares

Nationwide Tabulating Corp.______________**Common**
(Milton D. Blauner & Co., Inc.) $200,000

November 8 (Tuesday)

Palm Developers Limited______________**Common**
(David Barnes & Co., Inc.) $300,000

November 15 (Tuesday)

Idaho Power Co.______________________________**Bonds**
(Bids to be received) $15,000,000

New Jersey Bell Telephone Co.________**Debentures**
(Bids to be received) $20,000,000

November 16 (Wednesday)

Merrimack Essex Electric Co.____________**Preferred**
(Bids to be received) $7,500,000

November 17 (Thursday)

Public Service Co. of New Hampshire______**Bonds**
(Bids to be received) $6,000,000

November 22 (Tuesday)

Consolidated Edison Co. of New York______**Bonds**
(Bids to be received) $75,000,000

December 6 (Tuesday)

Northern States Power Co. (Minn.)________**Bonds**
(Bids to be invited) $35,000,000

December 12 (Monday)

Consumers Power Co.__________________________**Bonds**
(Bids 11:30 a.m. EST) $35,000,000

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American Foods Inc.
Aug. 16, 1960 filed 167,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For the company's ventures in Florida and North Carolina, and the balance for working capital. **Office**—Miami, Fla. **Underwriter**—Godfrey, Hamilton, Magnus & Co., New York City. **Offering**—Expected sometime in October.

American Income Life Insurance Co. (10/17-21)
Aug. 26, 1960 filed 90,174 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each 5½ shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—5th and Franklin, Waco, Texas. **Underwriters**—Ladenburg, Thalmann & Co. and Lee Higginson Corp., both of New York City (managing). **Note**—This stock is not qualified for sale in New York.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

● **American Optical Co. (10/17-21)**
Aug. 31, 1960 filed $8,000,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Southbridge, Mass. **Underwriter**—Kuhn, Loeb & Co., New York City (managing).

American Playlands Corp.
Aug. 22, 1960 filed 300,000 shares of common stock. **Price**—$4 per share. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis Co., Inc., New York City.

American Recreation Centers, Inc. (10/3-15)
Aug. 15, 1960 filed $600,000 of 7% sinking fund debentures, due September, 1972 (with attached warrants for the purchase of 150, shares of stock for each $1,000 debenture purchased), and 60,000 shares of capital stock. **Price** — To be supplied by amendment. **Business** — The company is engaged, through subsidiaries, in the operation of four bowling centers, and in the sale of bowling accessories. **Proceeds** — Retirement of indebtedness, modernization of facilities, and for general corporate purposes. **Office**—1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co. of San Francisco, Calif.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

● **American Title Insurance Co. (10/3-7)**
July 27, 1960 filed 301,884 shares of common stock (par $2), of which 150,000 shares are to be publicly offered for the account of the issuing company and the balance is to be used in connection with exchange offers for the stock of similarly engaged companies. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including possible future acquisitions. **Office**—901 N. E. 2nd Ave., Miami, Fla. **Underwriters**—A. C. Allyn & Co., Inc., and Bache & Co., both of New York City (managing).

Arnoux Corp. (9/26-30)
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York.

★ **Associated Dry Goods Corp.**
Sept. 19, 1960 filed $20,000,000 of 20-year sinking fund debentures. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—417 Fifth Ave., New York City. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Expected in mid-October.

Associated Sales Analysts, Inc.
Aug. 15, 1960, filed 105,000 shares of outstanding class A stock (par 10 cents). **Price**—$3.50 per share. **Business**—The company is engaged in the electronic data processing and machine accounting service business. **Proceeds** — To selling stockholders. **Office** — 220 W. 42nd Street, N. Y. C. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in October.

● **Australia (Commonwealth of) (9/28)**
Sept. 8, 1960 filed $25,000,000 of 20-year bonds, due Oct. 1, 1980. **Price**—To be supplied by amendment. **Proceeds**—To finance public works projects in Australia. **Underwriter**—Morgan Stanley & Co., New York City (managing).

Automatic Canteen Co. of America (10/17)
Sept. 1, 1960 filed 524,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—be supplied by amendment. **Proceeds**—$9,500,000 to pay for the acquisition of Commercial Discount Corp., with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

● **Automatic Radio Mfg. Co., Inc. (10/17-21)**
Sept. 9, 1960, filed 623,750 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuing company and 473,750 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The firm makes and sells car and portable radios. **Proceeds**—For expansion, working capital, and possible acquisitions. **Office**—122 Brookline Ave., Boston, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Autosonics, Inc.
July 29, 1960 (letter of notification) 135,000 shares of common stock (par five cents). **Price**—$2 per share. **Proceeds**—For production and research for equipment, inventory, building and working capital. **Office**—42 S. 15th St., Philadelphia, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Transportation Bldg., Philadelphia, Pa.

● **Avionics Investing Corp. (9/27)**
July 12, 1960, filed 400,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

★ **Benjamin (W. A.), Inc.**
Sept. 14, 1960 (letter of notification) 25,000 shares of common stock (par 10 cents) and 12,500 shares of common stock purchase warrants to be offered in units. **Price** — $10 per unit. **Business** — To publish books for schools, colleges and professional markets. **Proceeds** — For general corporate purposes. **Office** — 50 W. Ninth Street, New York, N. Y. **Underwriter**—None.

Blackman Merchandising Corp.
July 28, 1960 (letter of notification) 27,500 shares of common stock, class A (par $1). **Price**—$10 per share. **Proceeds**—For working capital. **Office**—3041 Paseo, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Bowling Investments Inc. (10/10-14)
Aug. 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—For purchase of real estate, construction of a bowling building, purchase or lease of equipment and restaurant equipment. **Office**—1747 E. 2nd St., Casper, Wyo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Bridgeport Gas Co.
Sept. 2, 1960 filed 50,000 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each six shares held. **Price**—$27.50 per share. **Proceeds**—To be applied to the payment of bank loans incurred for property additions which are expected to approximate $1,800,000 in 1960. **Office**—815 Main St., Bridgeport, Conn. **Underwriter**—None. **Offering**—Expected in mid-October.

● **Bristol Dynamics, Inc.**
June 28, 1960, filed 124,000 shares of common stock, of which 69,000 shares are to be offered for public sale for

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the account of the issuing company and 55,000 shares, being outstanding stock, by the present holders thereof. **Price**—$6 per share. **Proceeds**—$100,000 for expansion and further modernization of the company's plants and equipment; $100,000 for research and development of new products; and the balance (about $123,000) for working capital and other corporate purposes. **Office**—219 Alabama Ave., Brooklyn, N. Y. **Business**—Designing, engineering, manufacturing, producing, and selling electrical and mechanical assemblies, electronic and missile hardware components and special tools and fabrications. **Underwriter** — William David & Co., Inc., New York. **Note**—The underwriter states that this filing has been withdrawn.

● **Brothers Chemical Co. (10/3-7)**
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriters**—Sandkuhl & Company, Inc., Newark, N. J. and New York City and J. I. Magaril & Co., and Lloyd Haas Co., both of New York City.

● **Bruce National Enterprises, Inc. (9/29-30)**
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George, O'Neill & Co., Inc., New York.

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

Buttrey Foods, Inc.
Aug. 15, 1960 filed 65,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company operates a chain of 21 retail food stores in Montana. **Proceeds**—For equipment and inventory, and for additional stores as may be opened in the future. **Office**—601 6th St., S. W., Great Falls, Montana. **Underwriter**—J. M. Dain & Co., Inc. of Minneapolis, Minn.

Buzzards Bay Gas Co., Hyannis, Mass.
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. **Offering**—Indefinitely postponed.

Bzura Chemical Co., Inc. (10/17-21)
Aug. 25, 1960 filed 450,000 shares of common stock (par 25 cents), an undetermined number of which will be offered for the account of the issuing company, with the remainder to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company makes and sells citric acid. **Proceeds** — To expand the capacity of the parent company, Bzura, Inc., for the manufacture of fumaric acid, and to enable it to produce itaconic acid, with the balance for working capital. **Office**—Broadway & Clark Streets, Keyport, N. J. **Underwriters**—P. W. Brooks & Co., Inc., and Lee Higginson Corp., both of New York City (managing).

● **Canaveral International Corp.**
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter** — S. Schramm & Co., Inc., New York City. **Offering** — Expected sometime in October.

● **Carco Industries, Inc. (10/10-14)**
Aug. 25, 1960 filed 150,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The manufacture, assembly, sale, and installation of various metal products. **Proceeds**—For general corporate purposes, including payment of taxes, plant and equipment, and working capital. **Office** — 7341 Tulip St., Philadelphia, Pa. **Underwriter**—Myron A. Lomasney & Co., New York City.

Carhart Photo, Inc.
Sept. 7, 1960 (letter of notification) 150,000 shares of Class A preferred stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—105 College Ave., Rochester, N. Y. **Underwriter**—Doolittle & Co., Buffalo, N. Y.

★ **Caribbean American Corp.**
Sept. 14, 1960 filed 459,500 shares of capital stock. **Price**—$2 per share. **Business**—Caribbean real estate. **Proceeds** — For general corporate purposes. **Office** — 615 Robinson Bldg., 15th & Chestnut Sts., Philadelphia, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia, Pa.

Caruso Foods, Inc.
Sept. 2, 1960 (letter of notification) 150,000 shares of common stock (par three cents). **Price** — $2 per share. **Business**—Food processing. **Proceeds**—For general corporate purposes. **Office**—2891-99 Nostrand Ave., Brooklyn, N. Y. **Underwriter** — Searight, Ahalt & O'Connor, Inc., New York, N. Y.

Cavitron Corp.
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None. **Offering**—Expected in mid-October.

● **Chemtronic Corp. (10/28-11/4)**
Sept. 2, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company makes and sells miniature electrolytic capacitors. **Proceeds**—For general corporate purposes, including the repayment of bank loans and the addition of technical personnel. **Office**—309 11th Ave., South, Nashville, Tenn. **Underwriter**—Jay W. Kaufmann & Co., New York City.

Cinestat Advertising Corp.
Aug. 26, 1960 filed 15,000 shares of class B capital stock. **Price**—$100 per share. **Business**—The firm sells advertising and display devices. **Proceeds**—For starting the business. **Office**—30 West Monroe St., Chicago, Ill. **Underwriter**—None.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Clark Cable Corp.
Aug. 23, 1960 filed 222,500 shares of common stock, of which 127,500 shares are to be offered for the account of the issuing company and 95,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$4 per share. **Proceeds** — To reduce indebtedness, with the balance for working capital. **Office** — Cleveland, O. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

Columbia Gas System, Inc. (10/6)
Aug. 26, 1960 filed $30,000,000 of debentures, series O, due 1985. **Proceeds**—For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Inc Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co., all of New York City. **Bids**—Expected to be received on Oct. 6 up to 11:00 a.m. N. Y. Time. **Information**—During business hours on Oct. 3 at 120 East 41st Street, New York City.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

● **Commonwealth Electronics Corp. (9/26)**
Aug. 1, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price** — $5 per share. **Proceeds**—To purchase machinery and equipment, research and development and for working capital. **Address** — c/o Harold G. Suiter, Box 1061, Rio Piedras, Puerto Rico. **Underwriters** — L. L. Bost Co., Baltimore, Md.

● **Commonwealth Telephone Co. (Pa.) (10/11)**
Aug. 25, 1960 filed 42,960 shares of common stock (par $10) to be offered to the holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Proceeds**—To reduce amount of outstanding bank loans. **Office**—Dallas, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Continental Can Co., Inc. (9/29)
Aug. 31, 1960 filed $30,000,000 of debentures, due Oct. 1, 1985. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—100 E. 42nd St., New York City. **Underwriters**—Goldman, Sachs & Co., and Lehman Brothers (managing).

● **Coral Aggregates Corp.**
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa. **Offering**—Expected in late October.

● **Cornet Stores (10/28)**
Aug. 26, 1960 filed 150,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company operates a chain of 125 retail variety stores in five mainland western states and Hawaii. **Proceeds**—$1,100,000 will be used to repay short-term indebtedness, with the balance for general corporate purposes. **Office**—411 So. Arroyo Parkway, Pasadena, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Crown Photo, Inc.
Aug. 17, 1960 filed 100,000 shares of common stock. **Price**—$8 per share. **Business**—Processing and printing photographic film. **Proceeds**—Repayment of loans, expansion of facilities, and the balance for working capital. **Office**—3132 M St., N. W., Wash., D. C. **Underwriter**—Johnston, Lemon & Co., Wash., D. C.

Cryogenics Inc.
Aug. 16, 1960 filed 236,000 shares of common stock, of which 175,000 shares are to be offered for public sale, and the balance will be sold to promoters. **Price**—For the public offering, $2 per share. **Proceeds**—To repay a bank loan, for salaries, operating expenses, purchase of land, construction of a new laboratory and working capital. **Office**—Washington, D. C. **Underwriter**—John R. Maher Associates, New York City. **Offering**—Expected sometime in October.

Cyclomatics, Inc. (10/3-7)
Aug. 31, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Motorized and automatic health equipment. **Proceeds** — For inventory and working capital. **Office**—Astoria, L. I., N. Y. **Underwriter**—General Securities Co., 101 W. 57th St., N. Y. 19, N. Y.

Daffin Corp. (10/11)
Aug. 22, 1960, filed 150,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To selling stockholders. **Office**—Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

Dakota Underwriters, Inc.
Aug. 3, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay outstanding notes and the remainder for general corporate purposes. **Office**—214 W. Third St., Yankton, S. C. **Underwriter**—Professional Insurers and Investors Ltd., 104 E. 8th St., Denver, Colo.

Dalto Corp. (10/3-7)
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

Davega Stores Corp.
Sept. 7, 1960, filed $1,500,000 of 6% convertible subordinated debentures, due 1975, to be offered to holders of its common stock pursuant to preemptive rights. **Price**—$100 per debenture. **Business**—The company operates a chain of 29 retail stores in the metropolitan New York areas in which it sells various electrical appliances and sporting goods and apparel. **Proceeds**—For general corporate purposes, including fixtures and inventory for two new retail discount centers. **Office** — 215 Fourth Ave., New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Daystrom, Inc. (10/18)
Sept. 14, 1960 filed $10,000,000 of sinking fund debentures, due Oct. 1, 1980. **Price**—To be supplied by amendment. **Business** — The company manufactures electrical and electronic products. **Proceeds**—For working capital, debt reduction, and plant and equipment. **Office**—Murray Hill, N. J. **Underwriters**—Goldman, Sachs & Co. and R. W. Pressprich & Co., both of New York City (managing).

Dealers Discount Corp., Inc.
Aug. 1, 1960 (letter of notification) $300,000 of 7% subordinated convertible sinking fund debentures, due July 1, 1975. **Price**—At face value. **Proceeds**—For working capital. **Address**—Darlington, S. C. **Underwriters**—G. H. Crawford Co., Inc. and Frank S. Smith & Co., Inc., Columbia, S. C. and V. M. Manning & Co., Inc., Greenville, S. C.

★ **Deere (John) Credit Co. (10/17-21)**
Sept. 16, 1960 filed $50,000,000 of series A debentures, due 1985. **Price**—To be supplied by amendment. **Business**—The purchase of retail instalment paper from the 14 domestic sales branches operated by Deere & Co. subsidiaries. **Proceeds** — For general corporate purposes. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

● **Del Electronics Corp. (9/26-30)**
July 26, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes, from its own designs, and sells high voltage power supplies, transformers, chokes, and reactors. **Proceeds**—For working capital, relocation, and expansion. **Office**—521 Homestead Ave., Mount Vernon, New York. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Deluxe Aluminum Products, Inc.
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**—R. A. Holman & Co., Inc. **Offering**—Expected in early October.

Detroiter Mobile Homes, Inc. (10/17-21)
Aug. 17, 1960 filed 250,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of mobile homes. **Proceeds**—Approximately $1,000,000 to be invested in the capital stock of its wholly-owned subsidiary Mobile Home Finance Co., and the balance to be added to the general funds for inventory and accounts receivable. **Office**—1517 Virginia St., St. Louis, Mo. **Underwriter**—Hornblower & Weeks of New York City (managing).

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the

purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

(G. C.) Dewey Corp. (10/17-21)
Aug. 25, 1960 filed 64,500 shares of outstanding common stock (par one cent). **Price**—To be supplied by amendment. **Business** — Missile and electronics research and development work for the Government. **Proceeds** — To selling stockholders. **Office**—202 E. 44th St., New York City. **Underwriter**—None. **Agent**—The Empire Trust Co. of New York will receive subscriptions.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

★ Dorsett Electronics Laboratories, Inc.
Sept. 15, 1960 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of various electronic data handling and control systems. **Proceeds**—For debt reduction, and for working capital for the issuer and its subsidiaries. **Address**—P. O. Box 862, Norman, Okla. **Underwriter**—To be named by amendment.

Dorsey Corp. (10/17-21)
Sept. 1, 1960 filed $3,500,000 of 6½% sinking fund debentures, due October, 1975, with warrants for the purchase of 140,000 common shares, together with 350,000 common shares. **Price**—For the 140,000 shares, $12 per share; for the 350,000 shares the price will be supplied by amendment. **Business**—The design, manufacture, and distribution of all types of highway trailers except those carrying liquids. **Proceeds**—$7,000,000 will be supplied to the purchase of all the outstanding capital stock of Chattanooga Glass Co., with the balance for general corporate purposes. **Office** — 485 Lexington Ave., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

● Drexel Dynamics Corp.
Aug. 26, 1960 filed 100,000 shares of common stock (no par). **Price**—$6 per share. **Business**—Research, development, and production in the fields of mechanics, electronics, optics, and functional systems. **Proceeds**—The net proceeds, estimated at $511,740, will be used for product development ($100,000), payment of notes ($16,000), and working capital ($395,740). **Office**—Philadelphia, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. (managing). **Offering** — Expected in late October or early November.

● Dubrow Electronic Industries, Inc. (11/1)
Sept. 7, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents.) **Price**—$3 per share. **Business**—Electronic equipment for military use. **Proceeds**—For general corporate purposes. **Office**—235 Penn St., Burlington, N. J. **Underwriter** — Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

● Duncan Coffee Co. (9/26-30)
Aug. 4, 1960, filed 260,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—Engaged primarily in importing, processing, packaging and distributing its own blended coffees, marketed principally under the trade names "Maryland Club" and "Admiration." **Proceeds** — To pay $2,050,000 aggregate principal amount of senior subordinated debentures maturing Dec. 31, 1960, and the balance toward the reduction of outstanding trade acceptances of the company. **Office**—1200 Carr St., Houston, Texas. **Underwriter**—Bear, Stearns & Co., New York City.

Dynamic Center Engineering Co., Inc.
June 20, 1960 (letter of notification) 37,450 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To promote the sale of new products, for the purchase of additional equipment and working capital. **Address**—Norcross, Ga. **Underwriter**—Gaston-Buffington-Waller Inc., Atlanta, Ga., has withdrawn as underwriter.

East Alabama Express, Inc.
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—First Investment Savings Corp., Birmingham, Ala.

East Central Racing and Breeders Association, Inc. (9/30)
July 5, 1960, filed 200,000 units of 200,000 shares of capital stock and 200,000 warrants to purchase capital stock. Each unit will consist of one share and one warrant for the purchase of an additional share exercisable within 12 months. **Price**—$3.50 per unit. **Proceeds**—First step in the management's program if this financing is successful and after allocating $10,000 to finishing a training track surface and $25,000 to property accruement and maintenance, is the construction of about 15 stables to accommodate 32 horses each at an estimated cost of $22,500 each. An additional $200,000 has been allocated for construction of a building covering an indoor training track and $74,000 for working capital. **Office** — Randall, N. Y. **Underwriter**—None.

● Eastern Shopping Centers, Inc. (10/17-21)
Aug. 15, 1960, filed 1,048,167 shares of common stock to be offered for subscription by holders of outstanding common stock on the basis of one new share for each 3 shares held. **Price**—To be supplied by amendment. **Business**—The construction, development and management of shopping centers. **Proceeds**—To be added to the general funds for working capital and general corporate purposes. **Office**—6L Mall Walk, Cross County Center, Yonkers, N. Y. **Underwriter**—None.

● Edwards Engineering Corp. (9/26-30)
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

● Electro-Science Investors, Inc. (10/24-28)
Sept. 7, 1960, filed 772,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is a non-diversified, closed-end, management investment company, and has not as yet commenced its business of furnishing equity capital and advisory services to small buisnesses in scientific fields. **Proceeds**—To start the business. **Office**—727 South Central Expressway, Richardson, Texas. **Underwriters**—Kidder, Peabody & Co., New York City, and Rauscher, Pierce & Co., Inc., Dallas, Texas (managing).

Electromedia, Inc.
Aug. 26, 1960 (letter of notification) 100,000 shares of common stock (par $2). **Price**—$3 per share. **Proceeds**—To advertise and for payroll and working capital. **Office**—6399 Wilshire Blvd., Suite 812, Los Angeles, Calif. **Underwriter** — Baron, Black, Kolb & Lawrence, Inc., Beverly Hills, Calif.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc. of New York City and Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Indefinitely postponed.

★ Electronics International Capital Ltd. (10/19-20)
Sept. 16 1960 filed 2,500,000 shares of common stock (par £1). **Price**—$10 per share. **Business**—A closed-end, non-diversified management investment company. **Proceeds**—For general corporate purposes. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriter**—Bear, Stearns & Co., New York, N. Y. (managing).

★ Electronics, Missiles & Communications, Inc.
Sept. 13, 1960 filed 150,000 shares of 10 cent par common stock. **Price**—$2 per share. **Business**—The company will make and sell communications equipment. **Proceeds**—For working capital. **Office**—262-264 East Third St., Mt. Vernon, N. Y. **Underwriter**—Frank Karasik & Co., Inc., 285 Madison Avenue, New York 17, N. Y. **Offering**—Expected in October.

Elevator Electric Inc.
Sept. 1, 1960 (letter of notification), 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To acquire a building site, to construct a new building and for working capital. **Office**—21st St. and Imperial Ave., San Diego, Calif. **Underwriter**—Norman C. Roberts Co., San Diego, Calif.

● Ennis Business Forms, Inc. (10/3-7)
July 14, 1960, filed 74,546 shares of outstanding common stock (par $2.50). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 214 West Knox St., Ennis, Texas. **Underwriter**—Kidder, Peabody & Co., New York City.

● Fairmount Finance Co. (9/26-30)
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y.

● Federated Electronics, Inc. (10/10-14)
Aug. 31, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price** — $2 per share **Business**—Manufacture of electronic devices. **Proceeds**—For general corporate purposes. **Office**—134-20 Jamaica Avenue, Jamaica, N. Y. **Underwriter** — J. B. Coburn Associates, Inc., New York, N. Y.

Federal Pacific Electric Co.
Aug. 2, 1960 filed 377,000 shares of common stock and $45,000 shares of outstanding 5½% convertible second preferred series A stock, of which 127,000 common shares represent part of the issuer's payment for all of the outstanding common of Pioneer Electric Limited. The balance will be offered publicly. **Price** — To be supplied by amendment. **Proceeds**—To acquire the cash necessary to complete the Pioneer payment (see above), with the balance to retire short-term bank loans, and be added to working capital. **Office** — 50 Terrace St., Newark, N. J. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill. (managing). **Offering** — Expected in late September to early October.

● Fiber Glass Industries Corp. of America
July 21, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents) of which 80,000 shares are to be offered on behalf of the company and 20,000 on behalf of the underwriter. **Price**—$3 per share. **Proceeds**—To purchase material, repayment of a loan, for advertising and promotion and for working capital. **Office**—730 Northwest 59th St., Miami, Fla. **Underwriter**—Nelson Securities, Inc., Hempstead, N. Y. **Note**—The underwriter states that this letter will be withdrawn.

First Connecticut Small Business Investment Co.
Aug. 12, 1960 filed 225,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—To retire $150,000 of debentures, and for capital for loans for small businesses. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—Grimm & Co. of New York City.

Fleetcraft Marine Corp.
July 5, 1960 (letter of notification) 150,000 shares of capital stock (no par) of which 112,500 shares are being offered by the company and the remainder for the account of the selling stockholder. **Price**—$2 per share. **Proceeds** — To pay off debts and for working capital. **Office** — c/o Robert R. Chesley, 1235 E. Florence Ave., Los Angeles, Calif. **Underwriter**—Arthur B. Hogan, Inc., Burbank, Calif.

Florida Hillsboro Corp. (10/3-7)
Aug. 16, 1960 filed $1,000,000 of junior lien bonds, 7% series, due 1975, and 150,000 shares of common stock, to be offered in units of a $500 bond and 75 shares of common stock. Also filed were 120,000 shares of common stock. **Price**—For the units, $500 per unit; for 120,000 common shares, $1 per share. **Proceeds** — For property improvements, the repayment of indebtedness, and the balance for working capital. **Office**—Ft. Lauderdale, Fla. **Underwriters**—P. W. Brooks & Co. Inc. and Lee Higginson Corp. (for the common only), both of New York City.

● Florida Power Corp. (10/20)
Sept. 8, 1960, filed $25,000,000 of first mortgage bonds, due 1990. **Proceeds** — For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly). **Information Meeting**—Scheduled for Oct. 17 at 11:00 a.m. at Morgan Guaranty Trust Co., Mezzanine B, 60 Liberty St., New York City. **Bids**—Expected to be received on Oct. 20 up to 11:30 a.m. New York Time.

★ Fotochrome, Inc. (10/24-28)
Sept. 16, 1960 filed 220,000 shares of $1 par common stock, of which 200,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, is to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—Film processing, the distribution of film and related supplies, and the design, development, and sale of automatic processing equipment. **Proceeds**—For general corporate purposes, including debt reduction, and the purchase of inventories of photographic supplies. **Office**—1874 Washington Ave., New York City. **Underwriters**—Shearson, Hammill & Co. and Emanuel, Deetjen & Co., both of New York City (managing).

● Foto-Video Electronics Corp. (9/26-30)
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—Fund Planning, Inc., New York City.

Four Star Television (9/26-30)
July 27, 1960 filed 120,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries will produce and market television film series and related enterprises. **Proceeds**—For general corporate purposes. **Office**—4030 Radford Ave., North Hollywood, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. (managing).

Franklin Discount Co.
Aug. 23, 1960, filed $300,000 of 8% subordinated convertible debentures, due serially 1966-1968, and $300,000 of 8% subordinated capital notes due eight years, eight months and eight days after date of issue. **Prices**—At par. **Business**—The company is engaged in the consumer finance or small loan business, and, to a lesser extent, in the purchasing of car, boat, and appliance installment sales contracts from dealers. **Proceeds**—For general corporate purposes. **Office**—105 North Sage Street, Toccoa, Ga. **Underwriter**—None.

● Frouge Corp. (9/26-30)
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 150,000 shares of common stock (par $1), of which filing 50,000 of the common shares are to be offered for the account of selling stockholders and the balance for the account of the issuing company. **Price** — To be supplied by amendment. **Business**—The company is engaged in the construction business, both as a general contractor and as a builder for its own account. **Proceeds** — For debt reduction and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

(Connie B.) Gay Broadcasting Corp. (11/1)
Sept. 9, 1960 filed 130,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries own and operate radio and television stations. **Proceeds**—For the acquisition of

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a television station and two radio stations in Missouri. **Office** — 4000 Albemarle St., N. W., Washington, D. C. **Underwriter** — Hill, Darlington & Co., New York City (managing).

★ General Acceptance Corp. (10/10-14)
Sept. 14, 1960 filed $20,000,000 of senior debentures, due 1976. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co., both of New York City (managing).

General Sales Corp.
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York. **Offering**—Expected some time in October.

● Glen Manufacturing, Inc.
Aug. 8, 1960 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for the account of the issuing company and 25,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$10 per share. **Business**—The company makes and sells ladies' clothes, fabric covers for bathroom fixtures, and, through Mary Lester Stores, yard goods, sewing supplies, decorating fabrics, and various notions. **Proceeds**—For working capital, including initially, the reduction of short term bank loans which aggregated $2,650,000 on July 25. **Office**—320 East Buffalo St., Milwaukee, Wis. **Underwriter**—Loewi & Co., Milwaukee, Wis. (managing). **Offering** — Expected in early October.

Glickman Corp.
Aug. 19, 1960 filed 400,000 shares of class A common stock (par $1). **Price**—$10 per share. **Business**—The company, organized in May, 1960, plans to engage in the real estate business. **Proceeds** — For general corporate purposes. **Office**—565 Fifth Ave., New York City. **Underwriter**—Morris Cohon & Co., New York City. **Offering**—Expected in mid-October.

Gold Medal Packing Corp.
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

Great Atlantic Development Corp.
Sept. 8, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — c/o Joseph Frost, 280 Broadway, New York, N. Y. **Underwriter**—S. P. Levine & Co., Inc., New York, N. Y.

Green Shoe Manufacturing Co. (10/20)
Sept. 9, 1960 filed 420,000 shares of common stock (par $3), of which 45,000 shares are to be offered for the account of the issuing company, 355,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof, and 20,000 shares have been granted to the underwriters on an option basis. **Price**—To be supplied by amendment. **Business** — The company makes and sells children's shoes under the trade name of "The Stride Rite Shoe." **Proceeds**—For general corporate purposes, including plant improvement. **Office**—960 Harrison Ave., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis and F. S. Moseley & Co., both of New York City (managing).

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None.

★ Gremar Manufacturing Co., Inc. (11/7-10)
Sept. 20, 1960 filed 100,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—Manufactures coaxial cable connectors and associated fittings for the electronic and electrical industries. **Proceeds** — For general corporate purposes, including debt reduction, inventory and construction. **Office**—7 North Ave., Wakefield, Mass. **Underwriters**—Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc., New York, N. Y.

Gulf Resources, Inc.
Sept. 2, 1960 filed 140,000 shares of common stock (par 10 cents). **Price**—$8 per share. **Business**—Gathering natural gas in Zapata and Starr Counties, Texas. **Proceeds** —For general corporate purposes. **Office** — 20 Broad Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in October.

● Gulton Industries, Inc. (9/27)
Aug. 11, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The research, development and manufacture of electronic, electro-mechanical and electro-acoustic components, instruments and equipment, which are sold to military and commercial manufactures. **Proceeds**—To be added to the general funds, for requirements including additional working capital for inventories and accounts receivable. **Office** — 212 Durham Ave., Metuchen, N. J. **Underwriters**—Lehman Brothers and G. H. Walker & Co., both of New York City (managing).

Hawaiian Electric Co., Ltd.
July 25, 1960 filed 116,643 shares of common stock being offered to holders of the outstanding common on the basis of one new share for each eight shares held of record Aug. 23, with rights to expire at 12 noon on Sept. 27. **Price**—$49 per share. **Proceeds**—For capital expenditures. **Office**—900 Richards St., Honolulu, Hawaii. **Underwriter**—None.

● Heldor Electronics Manufacturing Corp. (10/3-7)
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 238 Lewis Street, Paterson, N. J. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

★ High Authority of the European Coal and Steel Community
Sept. 20, 1960 filed $25,000,000 of secured bonds, due 1980, and $10,000,000 of serial secured notes, due 1963-1965. **Prices**—To be supplied by amendment. **Business**—The nine-year-old Community aims to establish and maintain a common market in member countries for coal and steel, and is authorized to make loans to increase production, reduce the costs thereof, and encourage the distribution of coal and steel and their products. **Proceeds** —For general Community purposes. **Authorized Agent**—George W. Ball, Esq., Southern Bldg., Washington 5, D. C. **Underwriters** — Kuhn, Loeb & Co., First Boston Corp., and Lazard Freres & Co., all of New York City (managing). **Offering**—Expected in early October.

Hilltop, Inc.
Aug. 17, 1960 filed $1,650,000 of 6% subordinated debentures, due 1980, and 1,650 shares of class A common stock, to be offered in units of one $1,000 debenture and one class A share. **Price** — To be supplied by amendment. **Business**—The principal business of the company, which was organized under Kansas law in June, 1959, will be the owning, acquiring, improving, developing, selling, and leasing of improved and unimproved real property. **Proceeds**—To reduce funded debt. **Office**—401 Columbian Bldg., Topeka, Kan. **Underwriter**—None.

Home Builders Acceptance Corp.
July 15, 1960 filed 1,000,000 shares of common stock (par 50c). **Price**—$1 per share. **Business**—The company is engaged in real estate financing and lending. **Proceeds** —For general corporate purposes. **Office** — 409 N. Nevada, Colorado Springs, Colo. **Underwriter**—None.

Horizon Land Corp. (10/24-28)
Aug. 29, 1960 filed $1,500,000 of 7% subordinated convertible debentures, due October 1970, and 150,000 series III, common stock purchase warrants, to be offered in units consisting of a $1,000 debenture and 100 warrants. **Price** — $1,000 per unit. **Business** — Buying and selling land. **Proceeds**—For general corporate purposes, including land acquisition and advertising expenses. **Office**—Tucson, Ariz. **Underwriter**—Ross, Lyon & Co., Inc., New York City.

★ Household Finance Corp. (10/6)
Sept. 16, 1960 filed $50,000,000 of debentures, due 1981. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank loans. **Office**—Prudential Plaza, Chicago, Ill. **Underwriters**—Lee Higginson Corp. (handling the books) and White, Weld & Co., New York City, and William Blair & Co., of Chicago (managing).

I C Inc.
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Expected in early October.

Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected sometime in October.

Indian Head Mills, Inc. (9/26-30)
Aug. 10, 1960 filed 60,000 shares of outstanding common stock (par $1), of which 50,000 shares are to be offered for the account of present holders, and the remaining shares being registered pursuant to an option agreement. **Price**—To be supplied by amendment. **Business**—Production and distribution of fabrics, and related services for fabric converters. **Proceeds**—To selling stockholders. **Office**—111 W. 40th Street, New York City. **Underwriters** —Blair & Co. and F. S. Smithers & Co., both of New York City (managing).

Indianapolis Power & Light Co. (9/27)
Aug. 25, 1960 filed $12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be recieved up to 11 a.m. (New York Time) on Sept. 27. **Information Meeting**—Scheduled for Sept. 22 between 9:30 a.m. and 5:00 p.m. by appointment, at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Industrial Hose & Rubber Co., Inc.
Aug. 31, 1960 filed 125,000 shares of common stock. **Price** —$4 per share. **Proceeds** — Toward the repayment of notes, new machinery, additional inventory, and the balance for working capital. **Office** — Miami, Fla. **Underwriter**—Schrijver & Co., New York City (managing).

Intercoast Companies, Inc. (10/5)
Aug. 16, 1960 filed 110,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—To pay the balance due on the purchase of Western Life shares, and the balance will be added to the general funds to finance the development of general life insurance agency and for working capital. **Office**—Sacramento, Calif. **Underwriter** —Schwabacher & Co., San Francisco, Calif. and New York City.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

● International Safflower Corp. (9/26-30)
Aug. 3, 1960 (letter of notification) 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, purchase of planting seed, lease or purchase land, building and machinery and for working capital. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Interstate Vending Co. (10/17-21)
Sept. 7, 1960, filed 235,000 shares of common stock (par $1), of which 200,000 shares will be offered for the account of the issuing company and 35,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. (The registration statement includes an additional 206,250 shares, all outstanding, of which 100,000 shares may be offered at the market from time to time. The holders of the other 106,250 shares have advised the issuing company that no present disposition of their shares is planned.) **Price** —To be supplied by amendment. **Business**—The company sells various products through coin-operated vending machines in 22 States, and designs and makes certain vending machines for its own use. Proceeds—For acquisitions, working capital, and new equipment. **Office**—251 E. Grand Ave., Chicago, Ill. **Underwriter** — Bear, Stearns & Co., New York City (managing).

● Investor Service Fund, Inc.
July 14, 1960, filed 100,000 shares of common stock. **Price**—$10 per share, in 100-share units. **Business**—The company, which has not as yet commenced operations, intends to offer investors a chance to participate in diversified real estate ventures. **Proceeds**—To purchase all or part of the Falls Plaza Shopping Center, Falls Church, Va. **Office**—1823 Jefferson Place, N. W., Washington, D. C. **Underwriters**—Investors Service Securities, Inc., and Riviere Marsh & Co., both of Washington. **Note** —This statement was withdrawn on Sept. 19.

Irving Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 400,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—To be supplied by amendment. **Attorneys** — Brinsmade & Shafrann, 20 Pine Street, New York 5, N. Y.

Itemco, Inc.
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York. **Offering**—Delayed.

Jahncke Service Inc.
Sept. 3, 1960 filed 156,200 shares of common stock, of which 121,200 shares are to be offered for the account of the company and 35,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** —For acquisitions and working capital. **Office**—New Orleans, La. **Underwriter** — Hemphill, Noyes & Co., New York City (managing).

Keller Corp.
Aug. 26, 1960 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—For working capital. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers Co., New York, N. Y.

Kings Electronics Co., Inc. (10/20)
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. **Price**—$4 per unit. **Proceeds**—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriters** — Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City.

• Klondex Inc.
Sept. 1, 1960 (letter of notification) 149,000 shares of class A stock (par one cent). **Price**—$2 per share. **Business**—Distributors of silver sensitized photo copy papers, chemicals and engineering photo reproduction materials. **Proceeds**—For general corporate purposes. **Office**—470 Clinton Ave., S., Rochester, N. Y. **Underwriter**—Schrijver & Co., New York, N. Y.

★ Koeller Air Products, Inc.
Aug. 31, 1960 filed 100,000 shares of common stock (par 5 cents) and 50,000 warrants. Each warrant allows the purchaser to buy a share of the common for $2 for a year from the date of the public offering. These securities will be offered in units of one share and a warrant to buy one share. **Price**—$2 per unit. **Business**—The firm distributes hydrogen, nitrogen, oxygen, and welding equipment. **Proceeds** — For general corporate purposes. **Office**—596 Lexington Ave., Clifton, N. J. **Underwriter**—Lloyd Securities, 150 Broadway, New York City. **Offering**—Expected in October.

• Kollmorgen Corp. (10/4)
July 29, 1960 filed 80,330 shares of common stock (par $2.50) of which 35,000 shares are to be offered for the account of the issuing company and 45,330 shares, representing outstanding stock, are to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company makes optical equipment, including submarine periscopes, torque motors, and other electro - mechanical and electronic equipment. **Proceeds**—To redeem all of the outstanding 7% cumulative preferred; for bank debt reduction; to repay outstanding first mortgage note; for machinery and equipment; to pay a promissory note; and for working capital. **Office** — 347 King St., Northampton, Mass. **Underwriter**—Putnam & Co., Hartford, Conn. (managing.)

Lawndale Industries, Inc.
Aug. 15, 1960 filed 100,000 shares of class A stock. **Price**—$5 per share. **Business**—The manufacture of porcelain enameled steel plumbing fixtures. **Proceeds** — For the construction and equipping of a new plant, and the reduction of outstanding bank loans. **Office** — Haven & Russell Aves., Aurora, Ill. **Underwriter**—Paul C. Kimball & Co. of Chicago, Ill.

★ Lawter Chemicals, Inc.
Sept. 19, 1960 filed 70,000 shares of capital stock of which 20,000 shares are first to be offered to certain personnel of the company and certain friends of its management. **Price** — To be supplied by amendment. **Business**—Manufacture and sale of printing ink vehicles, fluorescent pigments and coatings, and synthetic resins. **Proceeds**—For general corporate purposes. **Office**—3550 Touhy Ave., Chicago, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago, Ill. **Offering**—Expected in late October or early November.

Leadville Water Co.
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter**—H. M. Payson & Co., Portland, Me.

Lee Electronics Inc.
June 14, 1960 (letter of notification) 135,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To expand operations. **Office**—3628 Rhawn St., Philadelphia, Pa. **Underwriter** — Atlantic Equities Co., Washington, D. C.

• Lence Lanes, Inc. (10/10-14)
July 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—$6 per share. **Business**—The company operates automatic bowling centers, associated ventures such as restaurants, bars, and luncheonettes, sells supplies, and rent lockers, shoes, and meeting rooms. **Proceeds**—To reduce indebtedness, complete Garfield Lanes in Jersey City, N. J., and for working capital. **Office**—4650 Broadway, New York City. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S. **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

• Lifetime Pools Equipment Corp. (10/3-7)
July 1, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa.

• Lionel Corp.
Sept. 2, 1960 filed $4,500,000 of convertible subordinated debentures, due Oct. 1, 1980, to be offered for subscription to holders of the outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To reduce indebtedness, expand the research and development program, and add to working capital. **Office**—28 Sager Place, Irvington, N. J. **Underwriter**—Granbery, Marache & Co., New York City (Managing). **Offering**—Expected in late October or early November.

Lithium Corp. of America, Inc. (9/26-30)
Aug. 19, 1960 filed $2,300,000 of convertible subordinated debentures, due 1970. **Price**—To be supplied by amendment, but the new debentures will first be offered in exchange for $925,000 of outstanding 5% convertible debentures maturing in 1964. **Proceeds**—For construction, liquidation of bank debt, replacement of working capital, and the purchase of mining equipment. **Office**—500 Fifth Ave., New York City. **Underwriters** — Bear, Stearns & Co. and John H. Kaplan & Co., both of New York City (managing).

• Louisiana Gas Service Co. (10/3-7)
June 10, 1960, filed 670,000 shares of common stock (par $10) to be issued by Louisiana Power & Light Co. to stockholders of Middle South Utilities, Inc., of record Sept. 28 on the basis of one share of Louisiana Gas Service Co. common stock for each 25 shares of common stock of Middle South held (with an additional subscription privilege). **Price**—$10.375 per share. **Proceeds**—All to be paid to Louisiana Power & Light Co. **Underwriter**—None.

★ Louisville Gas & Electric Co. (10/18)
Sept. 15, 1960 filed $16,600,000 of first mortgage bonds. **Proceeds** — For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18, at Room 1,100, 231 South La Salle St., Chicago, Ill., at 10:30 a.m. Chicago Time.

• Lytton Financial Corp. (9/26)
July 26, 1960 filed 354,000 shares of capital stock, of which 187,500 shares are to be offered for the account of the issuing company and 166,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—$2,100,000 will be used to reduce indebtedness, and the balance will be used for working capital and general corporate purposes. **Office**—Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles, Calif., and Shearson, Hammill & Co., New York City.

★ Major League Bowling & Recreation, Inc.
Sept. 16, 1960 filed 150,000 shares of common stock ($1 par). **Price**—To be supplied by amendment. **Business**—The corporation operates or has under construction 17 bowling centers in the southeastern part of the U. S. **Proceeds**—To complete centers and for the development or acquisition of additional centers. **Office**—Richmond, Va. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City, and J. C. Wheat & Co., Richmond, Va. (managing).

★ Merrimack-Essex Electric Co. (11/16)
Sept. 20, 1960 filed 75,000 shares of cumulative preferred stock (par $100). **Proceeds**—For reduction of short-term indebtedness. **Business**—The issuer is a subsidiary of the New England Electric System and conducts its business of generating, buying, and selling electricity in northeastern Massachusetts. It sells appliances related to its business. **Office**—205 Washington St., Salem, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp. **Bids**—Expected to be received on Nov. 16. **Information Meeting**—Scheduled for Nov. 4.

Metcom, Inc.
Sept. 2, 1960 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company makes microwave tubes and devices. **Proceeds**—For working capital, machinery and equipment, the retirement of a mortgage loan, and research and development. **Office** — 76 Lafayette Street, Salem, Mass. **Underwriter** — Hayden, Stone & Co., New York City. **Offering**—Expected sometime in October.

Metropolitan Development Corp.
June 8 filed 1,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—To complete payments on the company's property, for repayment of loans, and the balance to be added to the general funds for construction purposes and acquisitions. **Office**—Los Angeles, Calif. **Underwriters**—William R. Staats & Co., of Los Angeles, Calif., and Bache & Co. and Shearson, Hammill & Co., both of New York City. **Offering**—Indefinitely postponed.

★ Meyer (Geo.) Manufacturing Co.
Sept. 19, 1960 filed 146,300 shares of common stock. **Price**—To be supplied by amendment. **Business**—To design, manufacture and sell specialized high speed machinery and equipment for use in packaging, bottling, filling, closing, electronically inspecting, labeling, banding, cleaning, etc. **Proceeds** — To selling stockholders, the owning family. **Address** — Cudahy, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee, Wis.

• Mid-States Business Capital Corp.
Sept 9, 1960, filed 750,000 shares of common stock (par $1). **Price**—$11 per share. **Business**—The company will invest in small business concerns. **Proceeds** — For general corporate purposes. **Office**—411 N. 7th St., St. Louis, Mo. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York City, and Scherck, Richter Co., St. Louis, Mo. (managing). **Offering**—Expected sometime in October.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

Milgo Electronic Corp. (9/26-30)
July 28, 1960 filed 65,000 shares of common stock (par $1), to be offered to the holders of the outstanding common on the basis of one new share for each six shares held. **Price**—To be supplied by amendment. **Business**—Making and selling electronic equipment and systems for missile and space programs. **Proceeds**—For reduction of short-term bank loans, $635,000; for expansion, $200,000; for product development, $125,000. The balance will be used as working capital. **Office**—7620 N. W. 36th Ave., Miami, Fla. **Underwriter** — Shearson, Hammill & Co., New York City.

Minitronics, Inc. (10/7)
Aug. 26, 1960 (letter of notification) 100,000 shares of class A common stock (par 20 cents). **Price**—$3 per share. **Business**—To manufacture a new type of micro-miniature magnetic relay. **Proceeds** — For general corporate purposes. **Office**—373 Broadway, New York, N. Y. **Underwriter**—David Barnes & Co., Inc., New York, N. Y.

• Missouri Public Service Co. (9/26-30)
Aug. 1, 1960 filed 258,558 shares of common stock (par $1) to be offered to the holders of the outstanding common of record on or about Sept. 27 on the basis of one new share for each eight shares held with rights to expire on or about Oct. 13. **Price** — To be supplied by amendment. **Proceeds**—To reduce short-term bank loans incurred in 1959-60 for construction expenses. **Office**—Kansas City, Mo. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

★ Mobile Credit Corp.
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

• Mohawk Insurance Co. (10/17-24)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co. Inc., 39 Broadway, New York 6, N. Y.

• Nafi Corp. (10/3-14)
Aug. 23, 1960 filed $7,500,000 of 20-year convertible subordinated debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To pay part of instalment to become due for the purchase of Chris-Craft stock. **Office**—527 23rd Ave., Oakland, Calif. **Underwriters**—Shields & Co. and Lehman Brothers, both of New York City (managing).

• National Capital Corp. (9/27)
June 9, 1960, filed 240,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For reduction of indebtedness, working capital, and general corporate purposes. **Office** — 350 Lincoln Road, Miami Beach, Fla. **Underwriters**—J. A. Winston & Co., Inc., and Netherlands Securities Co., Inc., both of New York City.

National Consolidated Development Corp.
July 25, 1960 filed 70,000 shares of class B common (non-voting) stock. **Price**—$100 per share. **Business**—To acquire business properties, and operate, lease, or sell them for a profit. **Proceeds**—For general corporate purposes, with initial activities scheduled for Phoenix, Ariz. **Office**—South 1403 Grand Ave., Spokane, Wash. **Underwriter** — The stock will be offered through authorized and qualified brokers.

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National Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410 Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y. **Offering**—Indefinite.

National Western Life Insurance Co.
Sept. 13, 1960 filed 225,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from the sale of shares to be issued as a result of options, in the amount of $1,106,407.50 for the discharge of indebtedness and general corporate purposes. **Office**—Denver, Colo. **Underwriter**—Peters, Writer & Christensen Inc., Denver, Colo.

★ **Nationwide Tabulating Corp. (11/7-10)**
Sept. 19, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Tabulating of industry and government records. **Proceeds**—For general corporate purposes including working capital. **Office**—384 Clinton St., Hempstead, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York, N. Y.

Natural Gas Pipeline Co. of America
July 1, 1960, filed $25,000,000 of first mortgage pipeline bonds, due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Business**—Public utility. **Underwriters**—Dillon, Read & Co. Inc., and Halsey, Stuart & Co. Inc., both of New York. **Offering**—Postponed pending FPC approval for the company to acquire the Peoples Gulf Coast Natural Gas Pipeline Co.

Natural Gas Pipeline Co. of America
July 1, 1960, filed 150,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Underwriter**—Dillon, Read & Co. Inc., New York. **Offering**—Postponed pending FPC approval for the company to acquire the Peoples Gulf Coast Natural Gas Pipeline Co.

Navajo Freight Lines, Inc.
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly). **Offering** — Expected sometime in October.

New York Telephone Co. (9/28)
Sept. 2, 1960 filed $60,000,000 of refunding mortgage bonds, series L, due October, 1997. **Proceeds**—To retire short-term bank borrowings used to finance construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Wednesday, Sept. 28 up to 11 a.m.

★ **Nissen Trampoline Co.**
Sept. 20, 1960 filed 85,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Cedar Rapids, Ia. **Underwriter** — Jesup & Lamont, New York City.

Nixon-Baldwin Chemicals, Inc. (10/17-21)
Aug. 24, 1960 filed $4,000,000 of 6½% subordinated debentures, due Oct. 1, 1980, and 160,000 shares of common stock, to be offered in units. Each unit will consist of $500 principal amount of debentures and an unannounced number of common shares. **Price**—$500 per unit. **Business**—The manufacturing and sale of rigid thermoplastic sheeting, rods, tubes, and other forms. **Proceeds**—To pay part of the cost of acquiring certain assets of Nixon Nitration Works; part of the proceeds will be used for working capital. **Office**—Nixon, N. J. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., both of New York City (managing).

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

North American Mortgage & Development Corp.
Aug. 19, 1960 filed 412,500 shares of common stock. **Price**—$5 per share. **Business**—The company was organized in December 1959 for the purpose of acquiring ownership of acreage land to be developed for commercial and residential use. **Proceeds**—For general corporate purposes. **Office**—220 K Street, N. W., Washington, D. C. **Underwriter**—None.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash

● **Nucleonic Corp. of America (9/26-30)**
July 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Developing and manufacturing nuclear detection instruments; equipment and accessories. **Proceeds**—For advertising and increased direct mail; moving to a modern one story plant and leasehold improvements; additional sales personnel and establishment of sales offices in Los Angeles, Boston, Washington and Chicago and for working capital. **Office**—196 DeGraw St., Brooklyn, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

Nupack Corp.
Aug. 12, 1960 (letter of notification) 93,574 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Address**—Reinbeck, Iowa. **Underwriter**—R. G. Dickinson & Co., Des Moines, Iowa.

● **Pacific Electro Magnetics Co., Inc. (10/4)**
Sept. 2, 1960 (letter of notification) 60,000 shares of common stock (no par). **Price**—$5 per share. **Business**—The research, development, manufacture, and sale of instrumentation devices for scientific analysis and industrial testing. **Proceeds**—For working capital. **Office**—942 Commercial St., Palo Alto, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

★ **Pacific Gas Transmission Co.**
Sept. 20, 1960 filed 552,500 shares of common stock. **Price**—To be supplied by amendment. **Office**—San Francisco, Calif. **Underwriters** — Blyth & Co., Inc.; The Dominion Securities Corp.; McLeod, Young, Weir, Inc., all of New York City.

● **Pacific Lighting Gas Supply Co. (10/19)**
Sept. 9, 1960, filed $25,000,000 of sinking fund debentures, due 1980. **Business**—The issuer is a subsidiary of Pacific Lighting Corp., San Francisco, Calif. **Proceeds**—To finance current construction and repay short-term loans to its parent, Pacific Lighting Corp. **Office** — 720 W. 8th Street, Los Angeles, Calif. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). **Bids**—To be received on Oct. 19 in room 1329, 720 N. 8th Street, Los Angeles, Calif., at 8:30 a.m. California time. **Information Meeting** — Scheduled for Oct. 14 at 11:00 a.m. at the Irving Trust Co., 47th floor.

Palm Developers Limited (11/8)
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

Pearson Corp.
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol R. I. **Underwriter**—R. A. Holman & Co., Inc., New York **Offering**—Expected in early October.

● **Perfect Photo, Inc. (9/27)**
Aug. 25, 1960 filed $4,500,000 of convertible subordinated debentures, due Oct. 1, 1980 and convertible into the issuer's common from July 1, 1961 through Oct. 1, 1980. **Price**—To be supplied by amendment. **Business**—Film processing and the distribution of photo equipment and supplies. **Proceeds**—In the amount of $3,600,000 (approximate), will be used to acquire substantially all of the stock of Consolidated Photographic Industries, Inc. **Office**—4747 N. Broad St., Philadelphia, Pa. **Underwriter**—Harriman Ripley & Co., Inc., of New York City (managing).

● **Philippine Oil Development Co., Inc.**
March 30 filed 103,452,615 shares of capital stock, to be offered for subscription by stockholders of record Aug. 25, at the rate of one new share for each 5½ shares held with rights to expire at 3:30 p.m. on Oct. 31. **Price**—U. S. price is 1.3 cents per share; Philippine price is 3 centavos per share. **Proceeds** — To be added to the company's working capital. **Office**—Soriano Bldg., Manila, Philippines. **Underwriter**—None.

Photogrammetry, Inc.
Aug. 10, 1960 (letter of notification) 13,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—For retirement of a short term note and working capital. **Office** — 922 Burlington Ave., Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

● **Pik-Quik, Inc. (10/17-24)**
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The organization and operation of self-service markets in Florida under the names of "Pik-Quik" and "Tom Thum." There are now 31 such markets. **Proceeds**—Together with other funds, the proceeds will be used to purchase substantially all of the assets of Plymouth Rock Provision Co., Inc. **Office**—Baker Bldg., Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., Inc., New York City.

Plastics & Fibers, Inc.
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y. **Note**—The underwriter states that this offering will be delayed.

★ **Polymer Corp. (10/25)**
Sept. 16, 1960 filed $2,750,000 of convertible subordinated sinking fund debentures, due 1975, and 20,000 shares of class A non-voting common stock. **Prices**—To be supplied by amendment. **Business** — The company makes nylon rod, plate, strip, and tubing, Teflon, and plastic powders for coating metals. **Proceeds**—From the common stock, to the present holder thereof; from the debentures, for general corporate purposes, including debt reduction and working capital. **Office** — Reading, Pa. **Underwriters**—White, Weld & Co., New York City, and A. G. Edwards & Sons, St. Louis, Mo. (managing).

● **Polytronics Laboratories, Inc.**
Aug. 19, 1960, (letter of notification) 150,000 shares of class A stock (par 10 cents). **Price**—$1 per share. **Business**—The manufacture and sale of two way radios. **Proceeds**—For general corporate purposes; research and development and inventory investment to produce an amateur band transciever; research and development and inventory investment in a new product in the two-way radio field; to purchase new test equipment; for working caiptal and to pay the cost of acquiring expanded facilities. **Office**—253 Crooks Avenue, Clifton, N. J. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in October.

Portland Reporter Publishing Co.
Sept. 12, 1960 filed 175,000 shares of common stock, of which 125,000 shares are to be publicly offered, 39,000 shares sold to employees, and 11,000 shares exchanged for property or services. **Price**—$10 per share. **Business**—The company intends to publish an afternoon newspaper in Portland, Oreg. **Proceeds**—For general corporate purposes. **Office**—1130 S. W. 3rd Ave., Portland, Oreg. **Underwriter**—None.

● **Portland Turf Association (10/3-7)**
July 29, 1960 (letter of notification) $300,000 of 10% first mortgage registered bonds, due July 1, 1970. **Price**—At face amount. **Proceeds**—For purchase of a track, to retire bonds and for working capital. **Office**—2890 Bellevue, West Vancouver, B. C., Canada. **Underwriter**—General Investing Corp., New York, N. Y.

● **Preferred Risk Life Assurance Co. (10/17-11/1)**
Aug. 18, 1960 filed 300,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For general corporate purposes. **Office** — 20 East Mountain St., Fayetteville, Ark. **Underwriter**—Preferred Investments, Inc., a subsidiary of the issuer.

Premier Microwave Corp.
Aug. 26, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company designs, develops, and produces microwave components. **Proceeds**—To reduce indebtedness and add to working capital. **Office** — 33 New Broad St., Portchester, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City. **Offering**—Expected in late October.

Progress Electronics Corp.
Aug. 3, 1960 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Underwriter**—Jacoby, Daigle & Werner, Inc., Los Angeles, Calif.

Puritan Sportswear Corp.
Aug. 24, 1960 filed 120,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The firm makes and sells sportswear for men and boys. **Proceeds**—To selling stockholders. **Office**—813 25th St., Altoona, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in early October.

● **Puritron Corp. (10/3-7)**
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter** — Bache & Co., New York City (managing).

● **R. C. Can Co.**
Aug. 25, 1960 filed 230,000 shares of common stock, of which 50,000 shares will be offered for the account of the issuing company and 180,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of fibre-bodied cans and containers of various sizes. **Proceeds**—For general corporate purposes. **Office**—9430 Page Blvd., St. Louis, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis, Mo. (managing). **Offering**—Expected sometime in November.

Radio Shack Corp. (10/3-7)
Aug. 16, 1960, filed 200,000 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuer, and the remaining 50,000 shares by present holders thereof. **Price** — To be supplied by amendment. **Business**—Distributors of electronics products, sound components, and small appliances. **Office**—730 Commonwealth Avenue, Boston, Mass. **Underwriter**—Granbery, Marache & Co., New York City.

● **Rainier Co., Inc.**
Aug. 1, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of electronics parts and components, and precision machine parts for military and commercial aircraft. **Proceeds**—For general corporate purposes. **Office**—86 Magnolia Street, Westbury, L. I., N. Y. **Underwriter**—Richard Bruce & Co., New York, N. Y. **Offering**—Imminent.

• Resiflex Laboratory, Inc. (9/26-30)
July 18, 1960, filed 100,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company, and 60,000 shares, being outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of disposable plastic tubular products, and the assembling and marketing of blood donor sets. **Proceeds** — For plant expansion, increased production facilities, and working capital. **Office**—864 South Robertson Blvd., Los Angeles, Calif. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill.

Resisto Chemical, Inc.
Aug. 29, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The firm makes and sells protective coatings for packaging and fabrics, and products used in insulation. **Proceeds**—For working capital ($235,358), with the balance for machinery, equipment, and general corporate purposes. **Office** — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in October.

• Reva Enterprises, Inc. (9/26-30)
July 28, 1960 filed 200,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business**—The establishment and operation of bowling centers. **Proceeds**—For general corporate purposes. **Office**—525 Lincoln St., Worcester, Mass. **Underwriters**—Blair & Co., Inc., New York City and Chace, Whiteside & Winslow Inc., Boston, Mass. (managing).

Riddle Airlines, Inc.
Aug. 19, 1960 filed $2,250,000 of 6% subordinated convertible debentures. **Price**—At 100% of principal amount. **Proceeds** — To be used as operating capital to fulfill M. A. T. S. contract, and to acquire aircraft. **Office**—International Airport, Miami, Fla. **Underwriter**—James H. Price & Co., Coral Gables, Fla., and New York City.

• Riverview ASC, Inc. (10/3)
July 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To reduce current liabilities, construction and for working capital. **Office**—2823 S. Washington Ave., Titusville, Fla. **Underwriter**—Mallory Securities, Inc., New York, N. Y.

★ Robosonics, Inc. (10/10-14)
Sept. 14, 1960 filed 180,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Business**—The company makes and sells electronic equipment. **Proceeds** — For general corporate purposes. **Office**—22 W. 48th St., New York City. **Underwriter** — Mandell & Kahn, Inc., New York City.

Roller Derby TV, Inc.
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

Russell Stover Candies, Inc. (9/26-30)
Aug. 3, 1960 filed 200,000 shares of common stock (par $1), of which up to 75,000 shares may be reserved for certain of the issuer's officers and employees, with the balance to be offered publicly. **Price**—To be supplied by amendment. **Proceeds** — For redemption of outstanding preferred, with the balance for working capital. **Office**—1206 Main St., Kansas City, Mo. **Underwriters**—Harriman Ripley & Co., Inc., New York City, and Stern Brothers, Kansas City, Mo.

• Safticraft Corp., Patterson, La.
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York. **Offering**—Imminent.

• San Diego Gas & Electric Co. (10/4)
Aug. 30, 1960 filed $30,000,000 of bonds, series H, due 1990. **Proceeds**—For the repayment of bank loans and for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co., and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly). **Bids**—Expected to be received on Oct. 4 at room 1200, 111 Sutter St., San Francisco, Calif., up to 8:00 a.m. PST.

Saucon Development Corp.
April 28 (letter of notification) an undetermined number of shares of common stock (par $1) not to exceed $300,000. **Price**—To be supplied by amendment. **Proceeds**—For mining expenses. **Office** — c/o Wallace F. McQuade, Pres., 246 Beaconsfield Blvd., Beaconsfield, Quebec, Canada. **Underwriter**—To be named.

Sawtooth Development Co., Inc.
Aug. 24, 1960 filed 10,000 shares of common stock. **Price**—At par ($50 per share). **Proceeds**—For working capital. **Address**—Hailey, Idaho. **Underwriter**—None.

Scantlin Electronics, Inc.
Aug. 29, 1960 filed 275,000 shares of no par common stock, of which 175,000 shares are to be offered for the account of the issuing company, 75,000 shares for the account of selling stockholders, and 25,000 shares may be optioned by the underwriters. **Price**—To be supplied by amendment. **Business** — The company makes, sells, and leases proprietary electronic devices. **Proceeds**—For general corporate purposes, including the reduction of indebtedness. **Office** — 2215 Colby Ave., Los Angeles, Calif. **Underwriters**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis, both of New York City (managing). **Offering** — Expected sometime in October.

★ Scharco Manufacturing Corp.
Sept. 13, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price** — $5 per share. **Business** — Manufacturers of baby carriages, strollers, high-chairs, feed and play tables, doll carriages, toy chests and similar products. **Proceeds**—For general corporate purposes. **Office**—117 N. Third Avenue, Mt. Vernon, N. Y. **Underwriter** — L. C. Wegard & Co., U. S. Highway 130 W, Burlington, N. J. **Offering**—Expected in November.

★ Scott, Foresman & Co.
Sept. 21, 1960 filed 683,000 shares of outstanding common stock (no par). **Price**—To be supplied by amendment. **Business**—Publishing school textbooks. **Proceeds**—To selling stockholders. **Office** — 433 East Erie St., Chicago, Ill. **Underwriter** — Smith, Barney & Co. Inc., New York City (managing). **Offering**—Expected in late October or early November.

• Sealed Air Corp. (9/26-30)
July 15, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 330 Wagaraw Rd., Hawthorne, N. J. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

Securities Acceptance Corp.
Aug. 31, 1960 (letter of notification) 10,000 shares of 5% cumulative preferred stock (par $25). **Price**—$24.50 per share. **Proceeds**—For working capital. **Office**—304 S. 18th St., Omaha, Neb. **Underwriters**—The First Trust Co. of Lincoln, Lincoln, Neb.; Storz-Wachob-Bender Corp., Omaha, Neb. and Cruttenden, Podesta & Co., Chicago, Ill.

Security Annuity Life Insurance Co.
Sept. 8, 1960, filed 300,000 shares of common stock. **Price**—$7 per share. (The issuer's subsidiary, Annuity Life Insurance Co., which will register with the SEC as an open end diversified management investment company, was a partner in the registration.) **Business**—The sale of various forms of life insurance, annuities, and health and accident insurance. **Proceeds**—For general corporate purposes. **Office**—713 Marion E. Taylor Building, Louisville, Ky. **Underwriter**—None.

Seven Mountain Corp.
Aug. 12, 1960 filed 3,500,000 shares of common stock. **Price**—$1 per share. **Business**—To construct an all-year resort area and a gondola-type aerial cableway, southeast of Provo, Utah, in the Wasatch Mountains. **Proceeds**—For the purchase of property, construction and equipment, retirement of notes, and the balance for working capital. **Office**—240 East Center St., Provo, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

Simon Hardware Co.
Sept. 9, 1960, filed $900,000 of sinking fund debentures, due Sept. 30, 1972, with warrants, and 700,000 shares of common stock, to be offered in units of a $1,000 debenture and warrants to purchase 100 common shares. **Price**—To be supplied by amendment. **Business**—The firm sells a diversified line of consumer goods through a store in Oakland, Calif., and proposes to open additional stores in Hayward and Walnut Creek. **Proceeds**—To reduce bank borrowings and for equipping the new stores. **Office**—800 Broadway, Oakland, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

• Softol, Inc. (9/26-30)
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter**—Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y. **Note**—This issue was refiled on Sept. 7.

Solitron Devices, Inc.
Sept. 9, 1960 filed $400,000 of 6% subordinated convertible debentures, due 1967. **Price**—At par. **Business**—The company makes and sells solid state devices. **Proceeds**—For general corporate purposes. **Office**—67 South Lexington Ave., White Plains, N. Y. **Underwriter**—Casper Rogers & Co., New York City.

• Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Note**—The statement has been withdrawn.

Southern Nevada Power Co. (10/4)
Aug. 26, 1960 filed $5,000,000 of first mortgage bonds, series E, due 1990 and $2,000,000 of $20 par preferred stock (100,000 shares). **Proceeds**—For construction and repayment of bank loans. **Address**—P. O. Box 230, Las Vegas, Nev. **Underwriter**—White, Weld & Co., of New York City (managing).

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

• Spier Electronics, Inc. (9/26-30)
Aug. 24, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of electronic products. **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—1949-51 McDonald Ave., Brooklyn, N. Y. **Underwriter**—D'Amico & Co., Inc., 15 William St., New York, N. Y.

• Stamford Chemical Industries, Inc. (9/27)
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 25 cents). **Price**—$4 per share. **Proceeds**—To purchase new equipment, for moving and to develop new sales areas. **Office**—c/o Samuel Machlis, 64 Avemore Dr., New Rochelle, N. Y. **Underwriter**—G. H. Walker & Co., New York, N. Y.

Standard Instrument Corp. (10/3-7)
Aug. 26, 1960 (letter of notification) 50,000 shares of common stock (par 20 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of electrical devices. **Proceeds**—For general corporate purposes. **Office**—657 Broadway, New York 21, N. Y. **Underwriter** — Havener Securities Corp., New York, N. Y.

Starfire Boat Corp.
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Proceeds**—For working capital. **Office**—809 Kennedy Bldg., Tulsa, Okla. **Underwriters**—Batten & Co., Washington, D. C. and F. R. Burns & Co., Oklahoma City, Okla.

Stephan Co.
Sept. 2, 1960 filed 150,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Business**—The manufacture and sale of men's hair lotions, shampoos, after shave preparations, and toilet waters. **Proceeds**—$250,000 for advertising and sales promotion, primarily for new products with the balance for general corporate purposes. **Office**—Professional Bldg., Ft. Lauderdale, Fla. **Underwriter**—D. Gleich & Co., New York City. **Offering**—Expected sometime in October.

Still-Man Manufacturing Corp. (10/11)
Aug. 22, 1960 filed 150,000 outstanding shares of class A stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The company makes heating elements for small appliances and components for major appliances, and related items. **Proceeds**—To selling stockholders. **Office**—429-33 East 164 St., New York City. **Underwriter**—Francis I. duPont & Co., New York City.

Storm Mountain Ski Corp.
June 30, 1960, filed $500,000 of 8% subordinated debentures due 1975 and 100,000 shares of common stock, to be offered for public sale in units consisting of a $50 debenture and 10 shares of stock. **Price**—$75 per unit. **Proceeds** — To pursue the development of the resort. **Office** — Steamboat Springs, Colo. **Business** — Company was organized for the purpose of developing and operating a ski and summer resort on Storm Mountain on the Continental Divide, about 2 miles from Steamboat Springs. **Underwriter**—None.

Summers Gyroscope Co.
Aug. 29, 1960 filed 6,403,215 shares of common stock, of which 5,702,878 shares are to be offered by Atlas Corp. to the holders of its outstanding common on the basis of one Summers share for each two Atlas shares held, and 700,337 shares to be offered by Mertronics Corp. to its stockholders on a share-for-share basis. **Price**—75 cents per share. **Purpose**—The purpose of the offering is to effect a divestiture by Atlas and Mertronics of their 71.1% interest in Summers in order to dispose of matters pending before the CAB. **Office**—2500 Broadway Ave., Santa Monica, Calif. **Underwriter**—None. **Offering**—Expected sometime in October.

Sunset House Distributing Corp.
Aug. 22, 1960 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is in the retail mail order business selling general merchandise throughout the country. **Proceeds** — To Leonard P. Carlson, the issuer's president, selling stockholder. **Office**—3650 Holdredge Ave., Los Angeles, Calif. **Underwriter** — Crowell, Weedon & Co., Los Angeles, Calif.

• Syntex Corp. (10/3-7)
Aug. 8, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is chiefly engaged in the research, development, production, and sale of steroid hormone products. **Proceeds** — For working capital. **Office** — Arcia Building, Justo Arosemena Avenue, Panama, Republic of Panama. **Underwriter**—Allen & Co., New York City.

Techni Electronics, Inc. (10/3)
Aug. 10, 1960 (letter of notification) 112,500 shares of common stock (par 10c). **Price**—$2 per share. **Business**—The firm makes health and massage equipment, electric housewares, and medical electronic equipment. **Proceeds**—For expansion, working capital, and research and development expenditures. **Office**—71 Crawford St., Newark, N. J. **Underwriter** — United Planning Corp., 1180 Raymond Blvd., Newark, N. J.

Technical Materiel Corp. (10/3)
Aug. 25, 1960 filed 120,000 shares of common stock (50 cents par), of which 50,000 shares are to be offered for the account of the issuing company and 70,000 shares,

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representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company makes and sells hi-fi radio components and systems. **Proceeds**—The proceeds, estimated at $750,000, will be used for construction of a new plant, probably in Westchester County, N. Y., with the balance for working capital. **Office**—700 Fenimore Road, Mamaroneck, N. Y. **Underwriter** — Kidder, Peabody & Co., Inc., New York City (managing).

Tech-Ohm Electronics, Inc.

June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price—$3 per share. Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y. **Offering**—Imminent. **Note**—This issue was refiled on Sept. 6.

Telecolor

July 25, 1960 (letter of notification) 150,000 shares of common capital stock (par 25 cents) of which 100,000 shares are to be offered by officers. **Price**—$2 per share. **Proceeds**—To lease equipment and for working capital. **Office** — 7922 Melrose Ave., Hollywood, Calif. **Underwriter**—Raymond Moore & Co.. Los Angeles, Calif.

• Telephone & Electronics Corp. (10/10-14)

Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

Tele-Tronics Co. (9/26-30)

Aug. 10, 1960 (letter of notification) 100,000 shares of common stock (par 40 cents). **Price**—$3 per share. **Proceeds**—For plant expansion, additional machinery, acquisition of new facilities and working capital. **Office**—180 S. Main St., Ambler, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Temperature Engineering Corp. (10/3-7)

Aug. 10, 1960 filed 135,000 shares of common stock (par 25 cents). **Price**—$3.50 per share. **Business**—The manufacture and sale of equipment to create precisely controlled conditions of temperature, humidity, pressure and cleanliness in research, production and quality control. **Proceeds**—The erection of new manufacturing facilities, research and equipment, and the balance for working capital. **Office**—U. S. Highway 130, Riverton, N. J. **Underwriters**—M. L. Lee & Co., Inc., Milton D. Blauner & Co., Inc. and F. L. Salomon & Co., all of New York City.

• Tenax, Inc. (10/3-7)

Aug. 16, 1960, filed $1,500,000 of 10-year 6% convertible subordinated debentures, due 1970. **Price** — 100% of principal amount. **Business**—The sale, stocking and financing of freezers. **Proceeds**—Repayment of short-term indebtedness and working capital. **Office**—575 Lexington Avenue, New York City. **Underwriter** — Myron A. Lomasney & Co., New York City.

• Therm-Air Mfg. Co., Inc.

Sept. 13, 1960 filed 125,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes and sells temperature and humidity control equipment for military and commercial use. **Proceeds**—To pay loans, for research and development, and for working capital. **Office**—1000 North Division St., Peekskill, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., New York City. **Offering**—Expected in late November.

• Timely Clothes, Inc. (9/29)

July 25, 1960 filed $840,000 of convertible subordinated debentures, due 1980, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 16⅔ shares of common held. The record date and interest rate will be supplied by amendment. **Business** — The firm makes and sells men's clothes, and operates, through two subsidiaries, 10 retail stores. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office** — 1415 Clinton Ave. North, Rochester, N. Y. **Underwriter**—Cartwright & Parmelee, New York City (managing).

Topic Electronics, Inc.

Aug. 17, 1960 (letter of notification) 85,000 shares of common stock (no par). **Price**—$3.40 per share. **Proceeds**—To pay promissory notes, general obligations and for working capital. **Office**—8 Mercer Road, Natick, Mass. **Underwriter**—DuPont, Homsey & Co., Boston, Mass.

Transitron Electronics Corp.

Sept. 9, 1960, filed 1,250,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 168 Albion St., Wakefield, Mass. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing). **Offering**—Expected in late October.

• Trav-ler Radio Corp. (9/26-30)

Aug. 5, 1960 filed $2,200,000 of 6½% sinking fund debentures, due 1975, with 15-year common stock purchase warrants, two such warrants (for the purchase of an aggregate of 50 shares) to be issued with each $1,000 of debentures. **Price**—100% of principal amount of debentures. **Business**—The company makes radios, TV sets, tape recorders, and various types of high fidelity and stereophonic combinations. **Proceeds** — $922,500 will be used to redeem the outstanding $900,000 principal amount of 12-year 6% sinking fund debentures due 1967, with the balance for general corporate purposes. **Office**—571 West Jackson Blvd., Chicago, Ill. **Underwriters** — Lee Higginson Corp., New York City, and Straus, Blosser & McDowell, Chicago (managing).

• Triangle Lumber Corp. (9/26-30)

July 28, 1960 filed 140,000 shares of common stock (par $1), of which 118,000 shares are to be publicly offered by the company and the remaining 22,000 shares are to be offered to the company's officers and employees. **Prices**—For the 118,000 shares, $8 per share; for the 22,000 shares,, $7.20 per share. **Businesss** — The buying, warehousing, milling, and distribution of lumber, plywood, and millwork for use in residential and industrial construction. **Proceeds** — For general funds to provide additional working capital, and may be used in part to retire short-term indebtedness. **Office**—45 North Station Plaza, Great Neck, L. I., N. Y. **Underwriter**—Bear, Stearns & Co., New York City (managing).

Trout Mining Co.

Aug. 22, 1960 filed 296,579 shares of no par common stock (with warrants), to be offered to holders of the outstanding common on the basis of four new shares for each five shares held. **Price**—$1 per share. **Business**—The company is engaged in the mining of silver, lead, zinc, and manganese dioxide. **Proceeds**—For working capital, to repay a bank loan, and for exploration and development of ore bodies. **Office**—233 Broadway, New York City. **Underwriter**—None. **Offering**—Expected in mid-October.

• Union Texas Natural Gas Corp.

July 8, 1960, filed 150,248 shares of outstanding class A stock (par $1), and 75,124 shares of outstanding class B stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 811 Rusk Ave., Houston, Texas. **Underwriters** — Carl M. Loeb, Rhoades & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., Inc., all of New York City. **Offering**—Expected sometime in October.

• United ElectroDynamics, Inc.

Aug. 22, 1960 filed 169,500 shares of common stock, of which 156,000 shares are to be offered for the account of the issuing company and 13,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company is engaged primarily in the development and manufacture of electronic measurement instruments, and in nuclear detection work relating to the earth sciences. **Proceeds** — To liquidate $800,000 of bank indebtedness, with the balance for general funds. **Office**—200 Allendale Road, Pasadena, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, Calif. (managing). **Offering**—Expected in mid-October.

United Pacific Aluminum Corp.

Aug. 24, 1960 filed $7,750,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, the proceeds will be used to pay for the erection of a primary aluminum reduction facility. **Office** — Los Angeles, Calif. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. (managing).

United States Boat Corp.

March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York. **Note**—This offering has been postponed.

Urban Development Corp.

Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter** — Union Securities Investment Co., Memphis, Tenn.

Utah Gas Service Co.

Aug. 25, 1960 filed $800,000 of 6% first mortgage sinking fund bonds, due Oct. 1, 1975, of which $300,000 will be used for debentures refunding and $500,000 are to be publicly offered. **Price**—At par. **Proceeds**—$440,000 will be used to retire certain outstanding indebtedness. **Office**—511-12 Desert Bldg., Salt Lake City, Utah. **Underwriter**—The First Trust Co. of Lincoln, Nebr.

Valdale Co., Inc. (10/4)

July 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To pay accounts payable, reduce a bank loan, advertising and for working capital. **Office**—Red Lion, Pa. **Underwriters**—B. N. Rubin & Co. and H. S. Simmons & Co. both of New York City.

Vector Industries, Inc.

Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Hauser, Murdoch, Rippey & Co., Dallas, Tex.

Virginia Capital Corp.

Aug. 31, 1960 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is licensed by the Small Business Administration to operate throughout Virginia under the Small Business Investment Act of 1958. **Proceeds**—To furnish capital, long-term loans, and consulting and advisory services to selected small business concerns. **Office** — 907 State-Planters Bank Bldg., Richmond, Va. **Underwriter**—J. C. Wheat & Co., Richmond, Va. (managing).

★ Vogue Instrument Corp. (10/4)

Sept. 13, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of precision metal and electronic products. **Proceeds** — For general corporate purposes. **Office**—381 Empire Boulevard, Brooklyn 25, N. Y. **Underwriter—S. S. Samet** & Co., Inc., 170 Broadway, New York, N. Y.

Welded Tube Co. of America (10/17-21)

Aug. 31, 1960 filed 140,000 shares of class A common stock (par $1). **Price**—$6 per share. **Business**—The manufacture and sale of electrical resistance steel tubing. **Proceeds** — $100,000 will be applied to reduction of a $600,000 revolving bank credit, $200,000 for new equipment and machinery, and the balance for general corporate purposes, including working capital. **Office**—2001 S. Water St., Philadelphia, Pa. **Underwriter**—H. Hentz & Co., New York City (managing).

• Wenwood Organizations Inc. (9/26-30)

June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due August, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

Western Factors, Inc.

June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

• White Avionics Corp. (10/17-21)

Sept. 6, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of missiles and aircraft instrumentation. **Proceeds**—For general corporate purposes. **Office**—Terminal Dr., Plainview, L. I., N. Y. **Underwriter**—Planned Investing Corp., New York, N. Y. **Note**—This is a refiling of an issue originally filed last June 6 and subsequently withdrawn.

• Whitmoyer Laboratories, Inc. (9/27)

Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

• Willer Color Television System, Inc. (10/10-14)

Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

Williamsburg Greetings Corp. (10/24-28)

Aug. 26, 1960 filed 180,000 shares of common stock (par 25 cents). **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged chiefly in the dseign, production, and sale of greeting cards. **Proceeds**—About $400,000 will be applied to the reduction of factoring advances, with the balance to be added to working capital. **Office**—3280 Broadway, New York City. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa., and Amos Treat & Co., Inc., New York City.

WonderBowl, Inc.

April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

• Youngstown Sheet & Tube Co. (10/3-7)

Sept. 7, 1960 filed $60,000,000 of first mortgage sinking fund bonds, series H, due 1990. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures and to replenish working capital. **Office** — 7655 Market St., Youngstown 1, Ohio. **Underwriters**—Kuhn, Loeb & Co. and Smith, Barney & Co., both of New York City (managing).

Yuscaran Mining Co.

May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing was scheduled for Aug. 29 at the request of the company counsel and the results have not as yet been announced.

Prospective Offerings

★ Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing, mostly in the form of first mortgage bonds, is expected early in 1961. **Office** — 502-2nd St., S. W., Calgary, Alberta, Canada.

Alexander's Department Stores, Inc.
July 6 it was reported that this Bronx (N. Y.)-based retail chain is contemplating an issue of common stock. No confirmation was available.

Alloys Unlimited
Sept. 12, 1960 it was reported that a registration of common stock is expected. **Office**—21-09 43rd Ave., Long Island City, L. I., N. Y. **Underwriters**—C. E. Unterberg, Towbin Co. and Newburger, Loeb & Co., both of New York City.

Americana Properties, Inc.
Sept. 12, 1960 it was reported that October registration is expected of $600,000 of common stock. The company is in the real estate and bowling center business, and owns three bowling centers. **Proceeds**—For general corporate purposes. **Office**—Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

American Telephone & Telegraph Co. (10/25)
July 20, 1960, the directors authorized a new debenture bond issue of $250,000,000. **Proceeds** — For improvement and expansion of Bell Telephone services. **Office**—195 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids** — Expected to be received on Oct. 25. **Information Meeting**—Scheduled for Oct. 20 at 2:30 p.m., 195 Broadway, New York City.

• Amphenol-Borg Electronics Corp.
Sept. 7, 1960 M. L. Devine, President, announced that part of the company's $4,175,000 building program would be financed through the sale of debt securities. **Office**—Broadview, Ill. **Note**—Sept. 20, 1960 Mr. Devine told this newspaper that he does not anticipate a need for new money until sometime next year, and then it is expected to be raised privately.

• Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds sometime in the first quarter of 1961. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

★ Automation Development, Inc.
Sept. 20, 1960 it was reported that a "Reg. A" filing, comprising this firm's first public offering, will occur shortly. **Note**—This firm was formerly carried in this column under the heading "Automation for Industry, Inc." **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter** — Binday, Reimer, Collins & James, Inc., 44 Beaver St., New York City.

Automation Labs Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Business** — Electronics. **Office** — Westbury, L. I., N. Y. **Underwriters** — Sandkuhl and Company, Newark, N. J., and New York City, and J. I. Magaril & Co., New York City.

Bekins Van & Storage Co.
July 6 it was reported that this company is contemplating a common stock issue. **Office** — 1335 So. Figuroa Street, Los Angeles 15, Calif.

★ Berkshire Frocks, Inc.
Sept. 21, 1960 it was reported that this firm plans to register a common stock offering. **Office**—Boston, Mass. **Underwriter**—Blair & Co. Inc., New York City.

• Bobbie Brooks, Inc.
July 25, 1960 the company stated in its annual report that about $200,000 is expected to be raised by long term financing, to be applied to the $385,000 cost of acquiring real estate adjacent to its Cleveland 14, Ohio, headquarters. **Note**—Sept. 20, 1960 Bache & Co., who have handled previous financing for this company advised us that this money will not be raised publicly.

• Brooklyn Union Gas Co.
Sept. 21, 1960 G. C. Griswold, Vice-President and Treasurer, announced that there will be no further financing in 1960 but that $25,000,000 to $30,000,000 of mortgage bonds or preferred stock are expected in late 1961 or early 1962. **Office**—176 Remsen St., Brooklyn 1, N. Y.

Bryn Mawr Trust Co.
The Bank is offering 7,360 shares of capital stock (exempt from SEC registration) to holders of the outstanding shares of such stock of record Aug. 30, 1960, on the basis of one new share for each 15 shares then held. Rights expire Sept. 27, 1960. **Price**—$36 per share. **Proceeds**—To increase capital funds. **Office**—Bryn Mawr, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia 9, Pa.

Carolina Metal Products Co.
Aug. 23, 1960, it was reported that registration is expected of the company's first public offering, consisting of 100,000 shares of common stock. **Price** — $5 per share. **Business** — The company is a primary manufacturer of aluminum siding. **Proceeds**—For new machinery, with the balance to working capital. **Office** — 2 Gateway Center, Pittsburgh, Pa. **Underwriter** — Arnold, Wilkins & Co., 50 Broadway, New York City.

• Casavan Industries
Sept. 21, 1960 it was reported by Mr. Casavena, President, that registration is expected of approximately $20,000,000 of common stock. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion to meet $10,000,000 backlog. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—To be named.

Circle Controls Corp.
Aug. 20, 1960 it was reported that a letter of notification is expected covering 75,000 shares of common stock. **Proceeds** — For general corporate purposes, including expansion and the establishment of sales organizations. **Office**—Vineland, N. J. **Underwriter**—L. C. Wegard & Co., Levittown, N. J.

Citizens & Southern Small Business Investment Co.
Aug. 5, 1960 it was reported that the company is now contemplating a public offering of its securities, possibly $1½ million of common stock. **Office**—Atlanta, Ga.

Colorado Interstate Gas Co.
July 28, 1960 the company reported that debt financing of $70,000,000 is contemplated. Precise timing depends on final FPC approval. **Office**—Colorado Springs, Colo.

Columbus & Southern Ohio Electric Co.
June 13, 1960, it was reported that this utility plans the sale of about 200,000 shares of common stock to raise approximately $8-$9,000,000, with the timing set for the last quarter of this year, sometime after the November elections. **Proceeds**—For expansion purposes. **Office** —215 N. Front St., Columbus 15, Ohio.

• Consolidated Edison Co. of New York, Inc. (11/22)
Sept. 8, 1960, the company announced that its application to the New York State Public Service Commission for permission to raise $75,000,000 through the sale of first and refunding mortgage bonds is expected in early October. **Proceeds**—For expansion. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expcted Nov. 22. **Information Meeting**—Scheduled for Nov. 16 at 10:00 a.m. at the company's office, 4 Irving Place, New York City.

• Consumers Power Co. (12/12)
Sept. 14, 1960 it was reported that the company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc. **Bids**—Expected to be received on Dec. 12 up to 11:30 a.m. **Information Meeting**—Scheduled for Dec. 9 at 11:00 a.m., Bankers Trust Co., 16 Wall St., New York City, 12th fl.

Cove Pharmaceutical Laboratories
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering of common stock. **Business**—The distribution of vitamins through department stores. **Proceeds**—For general corporate purposes. **Office**—Glen Cove, L. I., N. Y. **Underwriter**—Hill Thompson & Co., Inc., New York City, N. Y.

Custom Craft Industries
July 13, 1960 it was reported that the company plans a regulation "A." **Proceeds** — For general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Plymouth Securities Corp., New York City.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Dodge Wire Manufacturing Corp.
Sept. 12, 1960 it was reported that October registration is expected of $600,000 of common stock. **Proceeds**—For general corporate purposes. **Office** — Covington, Ga. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

Dynacolor Corp.
Aug. 22, 1960 it was reported that new financing will take place in November or December. **Office**—1999 Mt. Read Blvd., Rochester, N. Y. **Underwriter**—The company's initial financing was handled by Lee Higginson Corp., New York City.

Florida Power & Light Co.
June 1 it was announced that the company anticipates further financing in the fall of 1960 approximating $25,000,000 of an as yet undetermined type of security, and estimates that in 1961 it will require approximately $50,000,000 of new money. This company on May 31 floated a 400,000 common share offering through Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at a price of $59.125 per share.

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

★ General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering, in late December or early January. **Office** — 430 Southern Blvd., Bronx, N. Y.

Geophysics, Inc.
Sept. 12, 1960 it was reported that the filing of an issue of common stock is expected. **Office** — Boston, Mass. **Underwriter**—C. E. Unterberg, Towbin Co., New York City.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that October registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena, Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and N. Y. City.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting** — Scheduled for Oct. 31 between 10:00 a.m. and 12 noon, in room 1600, 250 Park Ave., New York City.

Ginn & Co.
Sept. 14, 1960 it was reported that an undetermined number of common shares is expected to be filed around the middle of October. **Business**—Publishing. **Office**—Boston, Mass. **Underwriter**—White, Weld & Co., New York City (managing).

Hawaiian Electric Co.
July 25, 1960 it was reported that in addition to the rights offering currently being made (see "Securities in Registration"), this utility contemplates further financing through the issuance of 250,000 shares of $20 par preferred stock ($5,000,000), perhaps to occur sometime this fall. **Office**—Honolulu, Hawaii.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

Idaho Power Co. (11/15)
March 30 it was reported that the company plans to issue and sell $15,000,000 of first mortgage bonds due 1990. **Proceeds** — For capital expenditures, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. **Bids**—Expected to be received on Nov. 15.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25 (see "Securities Now in Registration"), the company plans the sale of about $14,000,000 of additional securities in 1963. **Office**—25 Monument Circle, Indianapolis, Ind.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

Iowa-Illinois Gas & Electric Co.
June 23, 1960, it was announced that the company's sale of $15,000,000 of first mortgage bonds in April of this year will carry it through the better part of 1960. The company plans some bank borrowing before the end of the year and expects to be in market again sometime in 1961, probably also for senior debt securities.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of secu-

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rities other than common stock and from retained earnings.

Lone Star Gas Co.
Aug. 3, 1960, it was reported that about $37,000,000 will be raised to cover capital requirements over the next year. **Office**—301 So. Harwood Street, Dallas 1, Texas.

Loral Electronics Corp.
Sept. 1, 1960 it was reported that November registration is expected of up to $5,000,000 of convertible debentures. **Office**—New York 72, N. Y. **Underwriter**—Lehman Bros., New York City. **Offering**—Expected in December.

★ Louisville & Nashville RR. (10/17)
Sept. 21, 1960 it was announced that $4,125,000 of equipment trust certificates will be sold. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler. **Bids**—Expected before noon, EST, on Oct. 17.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Ave., Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City, N. Y.

★ Mathieson Co.
Sept. 19, 1960 it was reported that this firm will register an issue of common stock in October, part of the proceeds of which will go to a selling stockholder. **Business**—The company supplies research firms with chemicals and compressed gases. **Office** — East Rutherford, N. J. **Underwriter**—White, Weld & Co., New York City.

Meadow Brook National Bank
Sept. 14, 1960 it was reported that pursuant to an Oct. 11 stockholders meeting a rights offering of 462,564 shares is expected. The new shares will be offered to stockholders on the basis of one share for each 4½ shares held. **Price**—To be announced. **Proceeds**—To supply cash for merger with Colonial Trust Co. **Office**—West Hempstead, L. I., N. Y. **Underwriter**—Lee Higginson Corp., New York City (managing).

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

National Airlines
Aug. 23, 1960, it was reported that about $20,000,000 of new financing, possibly in the form of one $100 convertible debenture for each seven shares of common held, is expected. **Business**—National Airlines is the country's 10th largest air carrier, based on 1959 operating revenues. **Office**—Miami, Fla. **Underwriter**—Lehman Brothers, New York City (managing).

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

New Jersey Bell Telephone Co. (11/15)
Sept. 1, 1960 approval was obtained from the New Jersey Board of Public Utility Commissioners for the sale of $20,000,000 of 40-year debentures. **Proceeds**—To reduce indebtedness and to supply funds for capital expenditures, which are expected to reach a record high of $105,000,000 in 1960. **Office**—Newark, N. J. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 15.

Northern Natural Gas Co.
It was reported on Aug. 2, 1960 that the utility is contemplating issuing $30,000,000 of debentures in the Fall. **Office**—Omaha, Neb.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Northern Trust Co. of Chicago
The bank is offering to holders of record Sept. 15, 1960 125,000 additional shares of common stock on the basis of one new share for each five shares then held. Rights expire Oct. 5. **Price**—$105 per share. **Office**—Chicago. **Underwriter**—Blyth & Co., Inc., New York City (managing).

One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected on or about Oct. 15 of 300,000 shares of common stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls Inc., 1 Maiden Lane, New York 38, N. Y.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Otter Tail Power Co.
July 27, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of $6,000,000 of first mortgage bonds is contemplated, although "plans for implementation of this project during 1960 are as yet indefinite, and there is a distinct possibility that it might be postponed to 1961." **Office**—Fergus Falls, Minn.

Pacific Gas & Electric Co. (11/1)
Aug. 24, 1960, it was announced that the California utility intends to sell $60,000,000 of first and refunding mortgage bonds. **Proceeds**—For general corporate purposes, including the payment of bank loans incurred for expansion, which expense will approximate $152,000,000 in 1960. **Office**—245 Market Street, San Francisco 6, Calif. **Underwirter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected to be received on Nov. 1.

★ Peerless Manufacturing Co.
Sept. 21, 1960 it was reported that this company is preparing a "Rg. A" filing. **Proceeds** — To increase buying power for purchase of first and second mortgages. **Office**—Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

Philadelphia Aquarium Co.
June 15, 1960, it was reported that the company plans to sell about $2,000,000 of debentures and common stock to finance an aquarium in Fairmont Park, Philadelphia which would be city-owned and company-operated under a lease. **Underwriter**—Stroud & Co, Inc. of Philadelphia, Pa. and New York.

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co and Stone & Webster Securities Corp. (jointly).

● Public Service Co. of New Hampshire (11/17)
Aug. 29, 1960 it was reported that the company plans an issue of $6,000,000 of bonds. **Office**—1087 Elm Street, Manchester, N. H. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Nov. 15.

● Public Service Electric & Gas Co.
July 26, 1960 it was reported that in addition to the $50,000,000 obtained from the Sept. 20 bond offering, $95,000,000 more will be needed to complete the 1960 construction program. Further financing is expected sometime in December, with the type and timing as yet undetermined.

Ritter Co., Inc.
July 6 it was reported that this company plans to consolidate some $2,500,000 of funded debt, possibly through a private placement, pursuant to which a bond issue may be expected. **Underwriter**—Lehman Brothers, New York City.

Rochester Gas & Electric Corp.
Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected in the spring of 1961, perhaps in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

★ Shatterproof Glass Corp.
Sept. 21, 1960 it was reported that 50,000 shares of common stock and 100,000 shares of class B convertible preferred stock will be registered. **Office**—4815 Cabot Ave., Detroit 10, Mich. **Underwriters**—Straus, Blosser & McDowell, Chicago, Ill., and Dempsey-Tegeler Co., St. Louis, Mo.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office**—Birmingham, Ala.

Southern Pacific Co. (9/27)
Aug. 17, 1960 it was reported that the road is planning the sale of $7,500,000 of equipment trust certificates, series No. 10, dated Aug. 1, to mature in 15 equal annual instalments from Aug. 1, 1961. **Proceeds**—The proceeds will represent approximately 80% of the cost of 747 freight cars. **Underwriter**—To be determined by competitive bidding. Bidders—Halsey, Stuart & Co., Inc., and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Sept. 21 up to noon (EDT).

★ Southern Railway Co.
Sept. 21, 1960 it was announced that a Halsey, Stuart & Co. Inc., group expects to bid on $25,000,000 of the road's bonds. No other details are available.

● Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas. **Underwriter**—Dillon, Read & Co., Inc.

★Stancil-Hoffman Corp. (10/13)
Sept. 21, 1960 it was reported that the filing of 150,000 shares of capital stock is expected today (Sept. 22) or tomorrow. **Price**—$2 per share. **Business**—The research, development, manufacture, and sale of magnetic recording equipment. **Office**—921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Thermadyne
Aug. 20, 1960 it was announced that a letter of notification is expected covering 75,000 shares of common stock. **Business**—The company makes and distributes plastics and resins for the missile, electronic, and boating industries. **Office**—Hialeah, Fla. **Underwriter**—L. C. Wegard & Co., Levittown, N. J.

● Trans World Airlines, Inc.
Sept. 20, 1960 it was announced that the original financing plan proposed by Dillon, Read & Co., Inc., and other bankers has been abandoned. It is hoped that the bankers, who also include Lazard Freres & Co. and Lehman Brothers, will have the plan ready before the end of this month. **Office**—10 Richards Road, Kansas City 5, Mo.

● United Gas Corp. (10/31)
Aug. 29, 1960 it was reported that registration is imminent of $30,000,000 of sinking fund debentures, due 1980, and $30,000,000 of first mortgage bonds. **Office** — 1525 Fairfield Avenue, Shreveport, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co., and Goldman, Sachs & Co. (jointly); White, Weld & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected Oct. 31. **Information Meeting**—Scheduled for Oct. 26 at 10:30 a.m., 2 Rector Street, New York City, Room 240.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

Waldorf Auto Leasing Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriters**—J. I. Magaril & Co., New York City and Sandkuhl and Company, Newark, N. J., and New York City.

(Del E.) Webb Corp.
Sept. 14, 1960 it was reported that filing is expected of $8,000,000 of subordinated debentures, due Oct. 1, 1975, 640,000 shares of common stock, and warrants for the purchase of an additional 320,000 common shares. The offering will be made in units. **Office** — Phoenix, Ariz. **Underwriter**—Lehman Brothers, New York City (managing).

West Ohio Gas Co.
June 24, 1960, it was announced that the company anticipates, that in order to carry out its 1960 construction program it will consummate long-term financing during the year to provide additional funds in the approximate sum of $400,000.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Winona Wood Products Co.
Aug. 24, 1960, it was reported that a full filing of class A common stock is contemplated. **Business**—The company makes wood cabinets for household and industrial use. **Office**—Winona, N. J. **Underwriter**—Metropolitan Securities Inc., Philadelphia, Pa. **Registration**—Expected in late October.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

● Wisconsin Electric Power Co.
Aug. 2, 1960 it was reported that the company plans to sell $30,000,000 of first mortgage bonds in late October or early Nov. **Office**—Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith and Equitable Securities Corp. (jointly); Glore, Forgan & Co., Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co., Inc. (jointly); The First Boston Corp., Lehman Brothers and Salomon Brothers & Hutzler (jointly); Blyth & Co.

Zurn Industries, Inc.
July 19, 1960, it was reported that 250,000 shares is expected to be filed for the accounts of the company and selling stockholders. **Business**—The manufacture of mechanical power transmission equipment, fluid control devices, and building plumbing drainage products. **Proceeds**—For general corporate purposes. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp. of New York City.

Wall St. Post No. 1217 Installs

On Sept. 13, Wall Street Post No. 1217 of the American Legion, installed its new Commander, New York County Commander Meyer Alterman performing the ceremony. Miss Polly Honl is the first woman to head this 250-member Post.

Just before the installation, the outgoing Commander, Oliver J. Troster, Troster, Singer & Co., performed the traditional ritual of "Passing on the Commander's Cap," the only difference was that he had to buy Miss Honl a ladies' cap rather than pass along his own!

Others installed were: Vice-Commanders: Fritz K. Johnson, Mildred L. Bodnar, Paul M. Franceus. Adjutant: Edgar C. Karrenberg. Finance Officer: Lester F. Gannon. Judge Advocate: Earl O. Kullman. Service Officer: Edith M. Connolly. Sergeant-at-Arms: James J. Ray. Chaplain: Joseph A. Fischer. Executive Committeemen: Horace E. Betts, John H. Boyle, Peter T. Kestler, Charles G. Kerfut, Eli Rosenkranz and Earl S. Taber.

Hanover Bank's Economist Calls for Faster Growth Rate

Dr. Marcus Nadler offers a philosophy of economic growth in a 28-page booklet published by the Hanover Bank. He says our economic growth rate must be greater, if we are to meet national and international challenges, but warns against overstimulating our GNP without achieving meaningful growth.

America must never be satisfied with its rate of economic growth, but it is fallacious to compare U. S. economic gains with Russia's, Dr. Marcus Nadler, consulting economist to The Hanover Bank, warned.

In a 28-page, illustrated brochure on "U. S. Economic Growth," published by Hanover, Dr. Nadler asserted:

"The Soviet economy started from a very low level, particularly after the destruction suffered in World War II. Thus the percentage of growth in the postwar period was bound to be higher than that of the U. S., whose productive capacity increased materially during the war.

"Moreover, the American economy is one of abundance, geared to meet the desires of the ultimate consumer. The Soviet economy is characterized by shortages of consumer goods, with a very large proportion of the nation's resources directed to the production of capital goods and defense industries."

Economic growth in a free society, Dr. Nadler said, "should be well-balanced and sustainable," and "must enable a nation to grow with its people, to provide an increasing population with a rising standard of living."

A favorable investment climate is the most important factor influencing economic growth, Dr. Nadler said.

"Through corporate capital expenditures, the productive capacity and productivity of the country are increased," he continued. "This makes it possible to produce more and better goods and services without a rise in prices. The amount of investment depends on the business outlook and the expected margin of profits, which in turn is affected by taxation and the attitude of organized labor."

Dr. Nadler cautioned that Gross National Product, as a measure of economic growth, is expressed in current dollars "and the purchasing power of the currency varies from year to year." Thus, the rate of growth in real terms, he said, can be determined only by expressing the national product in constant dollars — by employing the price level of one particular year.

In 1959 prices, he pointed out, the real national product expanded from two to four times as fast as the population in the periods between 1940-1950 and 1950-1959.

Calls for Greater Growth Rate

Looking to the future, Dr. Nadler said tomorrow's rate of growth "must be greater if the nation is to meet the challenges at home and abroad." There are forces working for an accelerated economic growth, he said, and "there is every reason to believe that they will be fully operative in the future."

While the welfare of every organized society depends on its economic growth, Dr. Nadler said, "it must be emphasized that overstimulated Gross National Product—unless there is a continued demand for it—does not increase economic growth. Meaningful economic growth must be sustainable."

The U. S., Dr. Nadler said, has three major tasks before it:

(1) Continue to demonstrate that our free society, is far superior to communism.

(2) Encourage less fortunate nations to improve their living conditions by providing them with such technical and economic aid as is within our capacity—and that of other free nations—to provide.

(3) Maintain strong defenses to deter communist aggression and to protect our own security and that of the Free World.

To reach these objectives, he concluded, requires a combined effort of business, labor and government to increase productivity and maintain the dollar's integrity; a well-conceived educational campaign to inform the public of the issues involved in the "cold war;" and "widespread realization that a high standard of living must be based on a sound educational system and other social and public services available to all and dedicated to the spiritual heritage of the past."

Seymour Blauner Branch

MIAMI, Fla. — Seymour Blauner Co. has opened a branch office at 1081 Northeast 85th Street.

Form Managed Equities

PORTLAND, Oregon — Managed Equities Incorporated has been formed with offices at 1824 Southwest Fourteenth Avenue. Officers are James I. Hessler, President; Raymond G. Beeber, Secretary; and Walter H. Knox, Vice-President. Mr. Hessler was formerly with Zilka, Smither & Co., Inc.

Inv. Fund Consultants

SEATTLE, Wash. — Investment Fund Consultants has been formed with offices at 3814 Fifth Avenue, Northeast, to engage in a securities business. Robert L. Long is a principal.

Form Stewart-Marshall

MENLO PARK, Calif.—Stewart-Marshall Associates has been formed with offices at 1150 Chestnut to engage in a securities business. Partners are Stewart W. Kirchner and William Marshall Dunhill.

Form William H. Weller Inc.

BAYONNE, N. J. — William H. Weller, Inc. has been formed with offices at 32 West 41st Street to engage in a securities business. Officers are William H. Weller, President; Lenora Hands, Vice-President; and Ruth W. Weller, Secretary-Treasurer. Mr. Weller was formerly with Theodore Arrin & Co., Arnold Malkan & Co. and John R. Boland & Co.

Customers' Brokers Name Officers

Members of the Association of Customers' Brokers at their annual election chose Albert P. Gross of Bear, Stearns & Co. President for the 1960-61 year. He succeeds Gerald L. Wilstead of Hallgarten and Co. who has been named for a three-year term on the executive committee.

Albert P. Gross

Leo J. Larkin

Frank Dunne, Jr.

David Bell

Gross is a registered representative and has been with the firm 22 years.

Other officers chosen were: Leo J. Larkin, Carl M. Loeb, Rhoades & Co., Vice-President; Frank Dunne, Jr., Merrill Lynch, Pierce, Fenner & Smith, Inc., Secretary; David Bell, Herzfeld & Stern, Treasurer.

Also named to the executive committee were: Hazel S. Anderson, Gude, Winmill & Co.; Leo Brasner, Kuhn, Loeb & Co.; Paul Cotugno, L. F. Rothschild & Co.; E. Maurice Moretti, Jacques Coe & Co.; Donald Schumann, Bache & Co.; A. Van Camerik, Shearson, Hammill & Co.; and Roy Whiting, Hornblower & Weeks.

Two With Bacon, Whipple

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—John G. Getz, Jr. and Ivan G. Strauss have become associated with Bacon, Whipple & Co., 135 South La Salle Street, members of the New York and Midwest Stock Exchanges.

Manufacturers Securities

Manufacturers Securities Corporation has been formed with offices at 511 Fifth Avenue, New York City, to engage in a securities business.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Traditionally the Democrats are the big spenders in Congress. The 1960 Democratic National Convention in tune with the party's unwritten policy adopted a catch-all type of platform that would cost billions and billions of dollars to put into effect.

The reason the convention adopted such a flush spending platform is because of the power and influence of the liberal wing of the party. Fortunately for the country the liberal wing in recent years has more influence at the national conventions than in the halls of Congress.

Nevertheless, should Congress enact even half of the proposals advanced in the party platform during the 87th Congress, the Treasury Department would have a mighty task on its hands. It would be issuing new bonds and new notes in the billions in order to pay the federal obligations as they would fall due.

The Democrats are reasonably certain of controlling the 87th Congress convening in January. It appears absolutely certain they will control the Senate because only a third of the Senate seats are up this year, and a number of these are in states that always send Democrats to the Senate. The Democratic control of the Senate now is one-sided. The same situation prevails in the House, but, of course, all House seats are to be voted on in November.

Either Senator John F. Kennedy or Vice President Richard F. Nixon will be fortunate next year after he moves into the White House. The Treasury surplus at the end of the 1960 fiscal year was substantial, although not nearly as large as President Eisenhower had hoped.

Last January President Eisenhower submitted a budget calling for estimated spending of $79,800,000,000 and estimated revenues of $84,000,000,000 in the 1961 fiscal year which started on July 1.

When 1960 fiscal year ended the officials in the Treasury building adjoining the White House grounds said when all bills were paid the surplus would amount to about $1,000,000,000.

Mr. Nixon or Mr. Kennedy —which ever one wins—will not be in the squeeze General Eisenhower was in when he took office in 1953. His administration was faced with a substantial deficit from the administration of President Harry S. Truman. However, a great deal of this grew out of the Korean war as Mr. Truman had some surplus years while he was in the White House from April, 1945, to January, 1952.

There was a move among a few Democrats at the last session of Congress to cut income taxes, particularly those in the lower brackets. Secretary Robert B. Anderson of the Treasury immediately opposed any tax cut on the ground that any surplus should be devoted to our staggering national debt. The interest on the debt alone runs about 11 cents of each tax dollar collected.

What is going to be the American financial position at the end of the current fiscal year next June? No one knows for sure because too many things can happen between now and then. Meantime, every federal department and the various agencies are working on a budget that our next president will send to Capitol Hill next January.

The federal agencies have been conducting their own private hearings on their own budgets which they must be able to justify, if called upon by Congress to show why they need that much money. Traditionally, some agencies and the Defense Department have long submitted budgets that have been suspected by some congressmen of being swollen.

Just before Christmas last year President Eisenhower broke the normal tradition by announcing he was going to send to Congress the next month (January 18, 1960) a plan that would provide a surplus. Immediately, some of the liberal members of the Democratic party screamed at the announcement with some unkind remarks about this proposal.

There are indications now that the anticipated $4,200,000,000 surplus on June 20 will be less than $1 billion. The Council of State Chambers of Commerce, through its director of research, Eugene F. Ritna, asserts that the surplus will likely be around a half-billion dollars because of Congressional spending and a decline in corporation profits.

Barring any material change in over-all economic activity, receipts are likely to reach about $82,000,000,000 rather than $84,000,000,000 as the president expected, said the research director. The Congressional spending and failure of Congress to raise postal rates as proposed by the President, is also a major reason.

As observers know, there was no economy wave in the 86th Congress in either session. Mr. Ritna said that actually there appears from a superficial examination of the appropriations box score that Congress made a net reduction of some $146,000,000 in 1961 fiscal year requests. However, he said the reductions effected include several which are "paper" cuts because they result in no curtailment of activities and accordingly, provide no savings at all.

The budget for the new Chief Executive to be dispatched to Capitol Hill for the new Congress will be drafted under the direction of Budget Director Maurice Stans, the Minnesota native and son of an immigrant father from Belgium.

The new presidential team, regardless of which party wins, will be nationally and internationally minded. This is the first time in the history of our country that all four presidential team candidates have served in the United States Senate. The Democratic ticket of Mr. Kennedy and Lyndon B. Johnson includes two incumbent members, which is the first time that the Democratic ticket was composed of two Senators.

Predictions in Washington are that there will be an increase in the Defense Department spending next year. Furthermore, there is nothing appearing on the horizon that indicates a tax cut for the overburdened taxpayer, regardless of which party captures the White House.

The new President will be faced, as has the retiring President, with taxes, foreign policy, defense policy, the farm problems, and civil rights, which will be with us in one form or another for generations.

Meanwhile, one of the major things facing the next administration is control of expenditures. Treasury Secretary Robert Bernard Anderson, the 50-year-old conservative formerly of Texas, maintains that unless the budget is controlled our government cannot be controlled.

He is opposed to a tax cut until the debt can be reduced. He also favors lifting the 4¼% ceiling on interest rates on long-term bonds. Because of this ceiling in the past several years, the former Secretary of the Navy and former Deputy Defense Secretary contends that it has cost the United States Government considerable money because the Treasury Department was unable to do some long-range financing of the national debt.

The one-time Democrat is credited with serving the Eisenhower Administration well. President Eisenhower is known to have said that Mr. Anderson has the qualities and character that would make a good president of the United States.

The cabinet officer now is registered as a Republican in Connecticut. He grew up in the country down in Texas and graduated from law at the University of Texas, and became a member of the Texas Legislature the day he received his diploma.

If Mr. Kennedy wins the White House, obviously he will be quickly supplanted with a new Secretary of the Treasury. If Mr. Nixon wins, he might persuade him to remain around awhile in some capacity in his administration.

Beginning with Alexander Hamilton, it has been traditional that our Treasury secretaries are conservatives.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"I think your tongue is getting sunburned!"

Joins Carolina Secs.

(Special to THE FINANCIAL CHRONICLE)

RALEIGH, N. C.—William C. Kellum has joined the staff of Carolina Securities Corporation, Insurance Building, members of the Midwestern Stock Exchange.

Now With Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis.—John H. Jacobs has become connected with Bache & Co., 229 East Wisconsin Avenue. He was formerly with Robert W. Baird & Co., Inc.

Kalman Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn.—John P. Klett has become affiliated with Kalman & Company, Inc., Endicott Building, members of the Midwest Stock Exchange.

D. H. Blair Co. Adds

The New York Stock Exchange member firm of D. H. Blair & Company, 42 Broadway, New York City, members of the New York Stock Exchange, have announced that Tony Azrak is now associated with the firm as a registered representative.

COMING EVENTS

IN INVESTMENT FIELD

Sept. 21-23, 1960 (Santa Barbara, Calif.)
Board of Governors of Investment Bankers Association fall meeting.

Sept. 23, 1960 (Philadelphia, Pa.)
The Bond Club of Philadelphia 35th Annual Field Day at the Huntington Valley Country Club, Abington, Pa.

Oct. 4, 1960 (Detroit, Mich.)
Bond Club of Detroit Annual Fall Outing at the Lochmoor Country Club, Grosse Pointe Woods, Mich.

Oct. 5, 1960 (New York City)
New York group of Investment Bankers Association of America annual dinner at the Waldorf-Astoria.

Oct. 6, 1960 (Chicago, Ill.)
Investment Analysts Society of Chicago annual outing at the Itasca Country Club.

Oct. 10-13, 1960 (Pasadena, Calif.)
National Association of Bank Women 38th annual convention at the Huntington-Sheraton Hotel.

Oct. 11, 1960 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 12, 1960 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Oct. 13, 1960 (Cincinnati, Ohio)
Ohio Valley Group of Investment Bankers Association meeting.

October 15, 1960 (New York City)
Security Traders Association of New York annual Fall Dinner Dance in the Grand Ballroom of the Biltmore Hotel.

Oct. 28-29, 1960 (Detroit, Mich.)
National Association of Investment Clubs 10th anniversary convention at the Sheraton-Cadillac Hotel.

Oct. 28-30, 1960 (Hot Springs, Va.)
Southeastern Group of Investment Bankers Association meeting.

Nov. 3-4, 1960 (Miami, Fla.)
Florida Security Dealers Association annual convention at the Key Biscayne Hotel.

Nov. 10, 1960 (Minneapolis, Minn.)
Minnesota Group of Investment Bankers Association meeting.

Nov. 17-18, 1960 (Chicago, Ill.)
American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.

Nov. 27-Dec. 2, 1960 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.